













# BUSINESS LEADERSHIP

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## PREFACE

It seems only a few years ago when the literature of management was but a tiny stream. To-day its flow is overwhelming, and threatens to inundate those who desire to keep informed concerning all that is published on the subject. Yet if one sounds the stream carefully, one discovers that its main channel is of very restricted volume, and that its apparent great expanse is for the most part the shallows of a flood that bogs, confuses, and delays, but carries no traffic of lasting value.

The series of volumes—of which this is the fifth—which have been published under the direction of Dr. Metcalf as records of annual courses of lectures in the Bureau of Personnel Administration on the general subject Business Management as a Profession, *belongs to the main stream of permanently valuable management literature.* These courses of lectures have accomplished in reasonable measure their principal objective of stimulating integrated thinking concerning problems of management in a dynamic and changing industrial society, by bringing to bear upon these problems the latest generalizations of humanistic thought, and of biology, psychology, economics, and other social sciences.

Leadership—in the individual enterprise and in industrial life—with which this particular volume is concerned, has come to be recognized as a major problem. In the large enterprise the investment of specialized capital is so great, the time necessary for its amortization stretches so far into the future, the period which current administrative policies must embrace is so long, that the highest qualities of vision and leadership must become more available than they now are. In the small enterprise corresponding qualities of leadership are necessary for survival in the new competition of the new industrial society. And with respect to industry generally there cannot much longer be delay in facing the problem of more refined organization of industrial society—of steps in the direction

of industrial self-government, or of co-ordination of industrial with political institutions—and this requires not only great leaders but enlightened industrial citizenship as well. Such problems are of appalling magnitude, and obviously call for continuous realization of such heights of leadership as have only at intervals been achieved in the past.

Research in all fields of human experience is essential, but research that stops with findings is not sufficient. The findings of research must be translated into policies and programs of organized conduct, and intermediate between findings of research, and the formulation of policies and programs must come constructive, co-operative thinking.

We know of no forum which has endeavoured to stimulate sustained thinking along these lines more successfully than the forum under the direction of Dr. Metcalf's leadership.

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# BUSINESS LEADERSHIP

## INTRODUCTION

It will be noted at the outset that we have selected not the Business Leader but Business Leadership as the subject for this symposium. This emphasis upon the *function* of the manager who has made such advances in recent years in the handling of materials, machines and men, shows at the outset a recognition of a mutual relationship existing between them. What is the exact nature of this relationship? What is business leadership? How can the potential capacity for leadership be discovered?

To answer these questions we have gone not only to specialists in human behavior—biologists, psychologists, educators, but to business executives and counselors in management engineering. The symposium as represented by Dr. Beard's *Whither Mankind* has gained in general acceptance with the reading public because of its breadth of view. It gives us a synthesis of a rapidly integrating civilization. It has become increasingly recognized that seldom has one individual the ability to penetrate a phase of our present-day complex industrial life from all its varied, interlocking angles. By uniting the experience of many specialists we penetrate more deeply into the heart of any industrial problem.

Besides being the points of view of men with varying experience, like the other volumes\* produced by the Bureau of Personnel Administration, BUSINESS LEADERSHIP, was presented

\* *Linking Science and Industry*, Baltimore, Md. (The Williams & Wilkins Co.)

• *Scientific Foundations of Business Administration*, Baltimore, Md. (The Williams & Wilkins Co.)

*Business Management as a Profession*, Chicago, Ill. (A. W. Shaw Co.)

*Psychological Foundations of Management*, Chicago, Ill. (A. W. Shaw Co.)

in New York before a discussion conference group of business organizers and managers; factory, office and sales executives; personnel directors, research specialists, social workers, etc., and has therefore the additional benefit of the integrated thought and criticism of these specialized groups.

Certainly we could start at no more fundamental point of approach for analysis than the birth of our leaders. While we may question Mr. Wiggam's hypothesis that "wealth with its separation of men into social classes, and their consequent intermarriage and inbreeding *creates* ability," we nevertheless sense the importance of his question: "Will the civilization which has been the product of business genius taking advantage of the instruments of science, breed its own leaders of naturally socialized passions, natural social ambitions, natural economic ability, which by their nature will keep that civilization going?" If we give to wealth its broadest concept—physical well-being, mental alertness, and high moral integrity—we may reconcile this hypothesis with President Hoover's statement that "Human Leadership cannot be replenished by selection, like queen bees, by divine right or bureaucracies, but by the free rise of ability, character and intelligence. If democracy is to secure its authorities in morals, religion and statesmanship it must stimulate leadership from its own masses." The business leader has increasingly recognized that only through extension of economic freedom and "vitalized" leisure can this social responsibility for a widespread creativeness throughout the rank and file take place. With the introduction of the shorter work day, the five-day week, two weeks' vacation with pay, etc., this wealth has become more generally shared.

The traits of this democratic merit type of leadership are contrasted by Dr. Mosher with the other dominant type of leadership of control or manipulation. By emphasizing that the merit type of leader maintains his position by "really facing problems and proposing solutions that will appeal to the insight and sound judgment of a self-determining citizenry," he adds, the important point that through the free choice of their objective and leader, the *followers* are a fundamental part of the

leadership concept.<sup>6</sup> In his final paragraph, when he says, "Let him have the authority who can master the situation and keep the authority as long as he does master it," he brings to our attention the third side of the triangular relationship of the leader, the followers and the situation.

That this triangular relationship is not a static thing but is continuously evolving, is brought out by Dr. Overstreet's historical account of the situational needs of followers in successive leaderships.

He illustrates with the example of survival through the hunter-warrior type of leadership, submissiveness in the priest type of leadership, emotional release in the political type, reverence in the seer type, and finally creativeness in the engineer or tool-maker type of our present day. He shows that while the leader all through history has been one who could achieve something supposedly good for the group, and while what he achieved and how he achieved it has been admired, in recent leaderships more attention has been given to the effect upon the followers of each achievement. Dr. Overstreet further shows how even this engineer type of leadership has evolved. From prime interest in the mechanical and financial tools at his command to concern about the human beings who were his customers, he has finally reached the stage where he is concerned with those who serve him. He sees "that a man's job can be the discipline through which he enters into a rich life.—Job and temple become cnp." Dr. Overstreet leaves with us a most helpful idea when he emphasizes that all true leadership is an evolving, growing, continually emerging, intercreating relationship.

Miss Follett supports this hypothesis by showing that the interweaving and interpenetrating of the best ideas of both the leader and the led is continuously creating new situations. This means that the real leader will have sufficient insight not only to meet the next situation, but to *make* the next situation. Such a system of organization as will leave men free to create the next situation, will be based not on the idea of equality or arbitrary authority, but on functional unity. Since function

varies from moment to moment, so will new situations be continually emerging.

That leadership is a function of a specific situation is further confirmed by Mr. Cowley through his laboratory experiments. The distinction made by him between the headman and the leader, which he found necessary in his controlled experiments, corresponds to Dr. Mosher's general classification of the two dominant types of leadership—of control or manipulation, and merit.

Mr. Cowley makes clear that different leadership traits are prized in particular situations. If we are to analyze leadership in terms of the traits of the leader, we must study the traits of army leaders, traits of student leaders, traits of criminal leaders, traits of political leaders. But we are here chiefly concerned with traits of business leaders. His conclusion is that, except perhaps for the characteristic of having a motive, a goal, an aim, there is no trait common to the different leaderships.

Because of this lack of general agreement about the traits common to different leadership situations, Dr. Mann has made, we feel, a distinct contribution when he suggests that we observe *action* and appraise its significance as a technique for studying leadership. He upholds Dr. Mosher's hypothesis of the democracy of leadership when he says that everyone may be a leader sometime in some particular group or in some particular occupation. He further maintains that "progress in a democracy depends quite as much on the sum total of all these leaderships" as it does on the quality of leadership of the relatively few who become outstanding in business, politics, religion, etc.

Penetrating this analysis of the situation still further, Dr. Person shows how the organization of environment or the "total situation" determines what men do. Aligning his thought with that of Dr. Overstreet, he shows how "the differences between environment—the respective civilizations, cultures and immediate social problems motivating group action" are as great as the differences between the characteristics of the groups and the leaders. Our environment determines to a large extent the

qualities of the leader for a given situation, and conversely, "the qualities in an individual which a particular situation may determine as leadership qualities, are themselves the product of a succession of prior leadership situations which have developed and moulded them."

Is leadership, then, largely a matter of chance—"the chance," to quote Dr. Person once more, "of the particular leadership situation finding in some individual the leadership qualities it requires"? Fortunately he saves this fatalistic point of view with the statements: "This does not mean that an individual is not an original and independent source of creative power, and that a leader does not have a moulding influence on the environment and the led."—"It means that the individual should make himself an object of study, should discover, experiment with, develop and prove his particular combination of capacities, and then seek that creative opportunity—perhaps a leadership situation for which he is adapted."

A technique for discovery of the situation has been given us by Mr. Houser. His method of testing leadership in a business corporation through a study of employee and customer morale has the proven value of having been tried out in several large corporations—department stores, public utilities, etc. He lists for us four general types of industrial situations. The attitudes of the employees determine the desirability of these situations and the quality of the leaderships.

As a method of measuring attitudes, Mr. Houser takes as his first step the establishing of the elements of the situation upon which morale depends. These elements are inherent needs and are determined on the basis of capable judgment, rather than by any scientific process of deduction. The technique for establishing the order of importance of employee need or desire, both as to what they want and what they think they get, may seem too simple to be scientific at first reading, but when we appreciate the cross checks that have been made, we accept his conclusions as an original method of measuring leadership of practical value.

It is readily seen that these attitudes must sometimes be modified for the welfare of the whole group. The art of such modification has been outlined by Professor Sheffield. He shows how the successful leader will put aside debate for discussion resulting in an "approving" process in which a conviction is developed by all the members, and a gain is made from the differences with which they began. He points out how the best results are obtained when account is taken of people's feelings as well as their thinking.

This does not mean that there will be as many different points of view as there are conferees, but that these points of view will center about similar main interests, which in turn are modified and integrated before the final decision. By keeping the *whole employee* before the situation, and the *whole situation* before the employee, the leader will bring out most successfully the group's important part in the leadership situation. What the leader really does is to point out a new integrated attitude. That this requires vision, imagination, intuition, I have emphasized in my chapter on "The Part of Imagination in Leadership."

Since in the changing of both situations and attitudes, one of the greatest difficulties is to impart information without creating antagonism, by adding the budget to our tool of discussion conference, Mr. Williams has shown how to instruct the group and make its activity more effective in accomplishing a pre-determined goal based upon known previous accomplishment. The budget has the instructive value of showing the minor departmental executive leaders how to control a situation themselves.

Another method of making the group conscious of its part in leadership was given by Mr. Wolf in his suggestion that records be kept of group accomplishment. By advocating the release of group power without the use of direct financial incentives, he recalls Mr. Wiggam's point of view. The truth of the matter would seem to be that "the ordinary work of the world is done in obedience to economic law, but the supreme work of the world is carried through in defiance of economic

## INTRODUCTION

considerations, and those who are compelled to bend to circumstances in the formative years seldom emancipate themselves, or reach their full potential status.”<sup>1</sup>

This condition of common knowledge about what the group is accomplishing, Mr. Tead tells us is essential to the leader as coordinator. With the recent extensive development of big organizations, such as the chains and mergers, the function of the leader as coordinator—the giving of central direction to minor leaderships—is especially essential to the action of the organization as a whole. The claims and purposes of the financial group, the buying group, the producing group, the selling group, the human supervising group, all have a “structural interrelationship” which will assure by its continuous working the evolving of agreed-upon purposes. This means a common sharing of certain experiences.

Leadership is found in all walks of life and in all degrees and amounts. This makes open channels for the discovery of leadership especially important. That our industrial leader should build up an organization of the type that will give new ideas an opportunity of expression and encourage the imagination of all is stressed by Dr. Yoakum.

Mr. Beyer, as a result of definite leadership experience in the Baltimore and Ohio Railroad employer-employee experiment, stresses the fact that the type of organization having a sound constructive relationship between workers and management will furnish the most promising source of potential leaders. He adds, “freedom of association” and “education for citizenship of industry” as essential conditions which must prevail in order to bring about potential leaders.

As an outstanding discrepancy between leadership theory and practice, Miss Follett cites the emphasis given to aggressiveness in leadership theory, while it is sincerity in practice which is a quality of leadership. She confirms Mr. Tead’s emphasis on the need for knowledge of the situation, skill in the task in what she calls the leadership of function. In such a functional

<sup>1</sup> A. Wyatt Tilby, *Quest of Reality*, London (William Heinemann, Ltd.) 1927, p. 101.



leadership, force of circumstances—the law of the situation—directs the energies of the group rather than the fiat orders of the old type of leader. Miss Follett assigns to the followers the task of helping to keep the leader in control of the situation, as the best leader is the one who makes the followers feel their own share of release of their hidden capacities. True leadership becomes, then, the function of releasing power within the group.

This releasing of the capacities of the group brings to light minor leaderships, the development of which Mr. Elliott D. Smith shows requires preparatory investigation of the experiences and training of these minor leaders to determine what their good and bad points are, and in what respects they most need development. That development must take place through action is aptly brought out, since habits, attitudes, ability, are changed only by experience. We learn by doing, not by being told. It is because industry furnishes real opportunities for responsible action and gives actual contact with things, and not descriptions of things, that within the work-a-day world we find the most effective means for developing leaders.

In this training such jobs must be selected as will develop the particular leadership qualities of which the minor executive is in special need. Since the example of the major executives is very important, care must be taken that this opportunity for imitation is as constructive in the little things as in the big, since “the small situations are frequent and habits formed in them grow strong and fixed.” The point is especially well made that, in addition to example, proper contact for consultation should be made at times other than those when a particular problem is at issue, or when some error has occurred, in order that the senior executive may counsel the junior executive and progressively instruct him.

By pointing out that on the personal side of leadership the laws of learning and habit formation apply, Dr. Bingham has given us some very definite tools for developing minor leaderships. Such laws as “concentrate on one point at a time” and drill and repetition are very effective in the learning process.

Dividing leadership into intellectual and social elements helps in an inductive approach to the study of leadership. By the two illustrations cited from Miss Bill's study, Dr. Bingham shows that sometimes two managers will succeed in obtaining a similar objective through the possession of each of these elements in opposite proportions.

When training the minor executive in the sales division, Mr. McNary has made the very pertinent point that the order of learning is not always the order of doing. "The order of the tasks must be reversed so as to adjust the sequence of these tasks to the capacity of the salesmen being trained, and in the order of the difficulty in learning to do these tasks."

Our broadening concept of leadership is well summarized at this point by Mr. Cooke when he says that: "Leadership is the name for that combination of qualities by the possession of which one is able to get something done in cooperation with others chiefly because through the leader's initiative those cooperating have been made parties to the objective and through his influence they are willing—even anxious—to aid in its accomplishment."

This emphasis upon the willing cooperation of all the members of the group is followed up by the very practical suggestions for the working out of such a leadership: first, the great need for care that the invitation to walk does not come before the one to crawl, and second, that the channels for complaint be kept open. The goal of such a leadership will have more than proper regard for stockholder, manager, employee, and consumer. "It is a job—a command from society to make selfish interest serve the interests of all—to devise the means and point out the way for the prosperity of all."<sup>1</sup>

• My own emphasis on leadership through personality or what a leader really is, contrasted with his reputation or what his followers think he is, shows how impossible it is to distinguish personality from the situational interests and values associated with it.

<sup>1</sup> Grover C. Orth, *The Professor's Rambling Reveries*, Baltimore (The Williams & Wilkins Company).

Management's responsibility for improving the workers as they work and relating them to the whole process was further dwelt upon by Professor Elliott. He shows the need for new situations which will give the joy of creativeness experienced in the conditions of the old craftsmanship.

This matter of individuality was shown by Dean Gray to be the pivotal point around which all training for leadership must be centered. The fact that "no two leaders have the same equipment nor do they operate by the same technique," seems to show that the very essence of leadership is its individuality. Taking individuality into account in the leader, we are shown that the potential leader in the graduate school of business administration will be neither all asset nor all liability, since he is human. Dean Gray, however, gives us some present-day requirements of leadership when he cites "breadth of intellectual outlook, international mindedness, respect for the methods and contributions of science, capacity for objective thinking, disciplined judgment, high sense of ethical and cultural values."

Turning finally to the philosophic point of view in our analysis of leadership, Professor T. V. Smith pictures the leader as the promoter of human freedom. He cites as the major obstacles to this freedom ill-health, poverty, and ignorance. In discussing the teacher aspect of the leader, he most constructively shows how the real teacher "is a helper, not a critic." Such a method results not only in increased production, but friendship and fellowship when practised within industry. He challenges the business leadership of the future to attack the problems of distribution as it has those of production in the past decade.

In summarizing BUSINESS LEADERSHIP, Dr. Overstreet concludes that the greatest function of the business leader is to be an "intercreative coordinator." The real leader, that is to say, will play in every fundamental life relationship a coordinating and interweaving part. This will be true of the leader relationship between parent and child, husband and wife, employer and employee, pastor and parishioner, state and citizen. True

leadership is thus seen to be a process of intercreativity arising from the forces inhering in the leader, the led, and the situation.

The growing demand for a democratic type of leadership is a striking phenomenon of the past decade. We believe that the present symposium on BUSINESS LEADERSHIP is a real contribution to the kind of leadership the business world is gradually striving to attain. The open-minded critic, on reading this volume, will find ample opportunity to question. He will also, we believe, discover among an able and sincere body of contributors a striking consensus of opinion regarding fundamental leadership problems.

Are we in an age of conference rather than of commanding personalities? Does the business world, as never before, demand comprehensive minds, feel the need of integrated thinking and action? Do many of the most urgent problems of business organization and management seem to surpass the ablest of those who deal with them? As our business life grows constantly more complex and coordinated, is there any evidence or guarantee that individual capacity is equal to the extent of these modern business problems? "Is every great achievement of mankind now clearly seen to be the result of an infinite number of cooperating minds, and even the strongest individual only the agent of human forces, past and present, far transcending his consciousness or calculations?" In the daily attempts to explain the capacity of our business life, is there a marked tendency to use our wealth for the elevation of the mass rather than the special benefit of the few?

Is there, on the other hand, anything in the present industrial evolution to hinder the emergence of the "Great Leader" in the future? "For the future, as in the past, great men, in the intrinsic sense, are to be expected and welcomed. But it may be that 'greatness,' in the adventitious sense, accorded to mediocre persons owing to their position or the adulation of an ignorant multitude will gradually disappear. The best to be hoped for is, that real 'greatness' may be encouraged and developed, and the lists of the next millennium include both

more names and more varied types, and fewer of those whose claims are doubtful on a close scrutiny. Humanity is compact of untold and varied cells, each with capacity beyond the average of the past. True greatness is that development of any unit by which the strength or beauty of the whole is best subserved." <sup>1</sup>

THE EDITOR

## CHAPTER I

### THE BIOLOGY OF LEADERSHIP<sup>1</sup>

If the business man looks at all beyond his own day and time and the things he is immediately doing, he must be interested in the permanence of his own work. He must inquire very earnestly if the economic and social structure which he is building is going to endure. And if he does ask this question, he must find an essential part of the answer in the effects which his methods and operations are having, and likely to have in the future, upon the organic nature of the human units with which he deals.

The most important part of the industrial machine is the human machine, and the business man must be concerned profoundly with what he is doing to that machine. Is he making it better or worse in its organic make-up, stronger or weaker, more effective or less effective? Above all, is the economic structure he is rearing, with its associated customs, ideals, education, taboos, and the like, setting up those conditions of marriage selection, home building, and the production of children, which will ensure leaders in sufficient numbers in the future to man the enormously complex society which science, applied to modern production and distribution, has largely created? Will the civilization which has been the product of business genius taking advantage of the instruments of science, breed its own leaders, leaders of naturally socialized passions, natural social ambitions, natural economic ability, who by their very natures will keep that civilization going? • • • • •

This is the prime question which must confront the long range business statesmanship of the age. Perhaps the philosophers of every civilization have asked this question, and every civilization has answered it only from its tomb.

<sup>1</sup> Albert E. Wiggam, Author of *The New Decalogue of Science*, *The Fruits of the Family Tree*, and *The Next Age of Man*.

**Four Questions We Must Ask.** It seems to me that in order to get any clue to the answer we must first ask how, from a biological standpoint, leaders arise at all. We must ask second, if these leaders have in times past been natural products and, therefore, adapted to the sort of civilizations which they lead; third, we must ask why they disappeared; and fourth, whether modern science offers any hope of a civilization in which its leaders will continue to be bred to lead the common man. I shall later offer some proof that civilization is in the main due to a few leaders. It is upon them almost alone that progress must always depend. The common man has little to do with progress except to hold it back. Therefore, in inquiring as to the biological fortune of leaders in the future, we are inquiring as to the fortunes of civilization itself.

**How Do Leaders Arise?** I do not believe any one has given us quite so logical a theoretical presentation of the problem of the natural evolution of leaders as has F. A. Woods, our chief authority on the heredity of the royal families of Europe. He sums up his arguments and presents a large body of statistical evidence to support them in his *Influence of Monarchs*—a book which, I think, has not been appreciated even by scientific men, certainly not by historians, since less than 200 copies of it have been sold during the fourteen years since its publication.

**Who Makes Progress?** Woods's argument runs in the main as follows: What is going on biologically in one section of the population may be very different from what is happening in another section, although the two may be living side by side.

Galton believed that Greek civilization was due in the main to a very small group of families, numbering only a few thousands, possibly only a few hundreds. Whatever may be the differences between the ordinary man and the man of genius, the differences are very great if judged by results. Millions of men may be living in poverty and anarchy, when one man of genius lifts them into wealth and social order. How very important it is, therefore, not to talk of peoples—such, for example, as the Romans, the Greeks, or the English—as though

all individuals in each nation were alike. We often hear of the "building instinct of the Egyptians." The Egyptians as a whole probably never had any building instinct. Their architectural achievements were probably due to the building instinct of a few rulers. The Greeks may never have been artistic and intellectual, although a small percentage certainly were. The special faculty for law and government ascribed to the Romans was probably confined to only a few patrician families. The Roman people may never have declined, for the simple reason that the Roman people may never have risen. But a few families have risen in every country that has played a distinguished part upon the world's stage. How these families arose and exerted their influence is of great importance. It is also important to see how wealth exerts an influence upon the biological situation.

**The Biology of Wealth.** To account for these facts Woods advances this general hypothesis: Man first made his appearance in a warm country, where he developed life in small tribes. As his numbers grew, the more ambitious pressed into the cooler regions. The colder climate killed off the less hardy and left those endowed with ambition and energy. Under these conditions, man became adapted to the hunter stage of civilization. Probably such a condition existed for long aeons of time in central Asia and Europe.

Now, should any of these northern peoples return to the tropical river valleys, they would easily conquer the races that had never had the energy and ambition to force their way into colder climates. The tropical races would doubtless be enslaved. In this way, castes made up of the ablest members of the conquering races would quickly develop. This brings a change within the community, due largely to the great possibilities in the tropics for energetic northern men to accumulate wealth and hand it on. For example, in the hunter stage in the colder climates the accumulation of wealth is not easy. Meat and fish soon spoil. There is no surplus to be striven for among the different groups, no property to be handed on, no rights in land, buildings, cattle, corn, and slaves.



When, however, these energetic men return to the tropics and enslave the natives, wealth is rapidly accumulated by the abler invaders. The tropical native is too lazy to acquire wealth. He has no desire to do so. This is because none of his ancestors has ever lived for long periods of time where natural selection would weed out the lazy and thriftless and leave the mentally alert and acquisitive. Otherwise, how are we to explain the great civilizations, such as ancient Egypt and Babylon, that did arise in hot climates? In these regions there occurred the earliest of the great mental awakenings of humanity, the beginnings of architecture and the accumulations of thought.

Now, we have here for the first time the conditions for the production of great military and governmental leaders. An able set of men whose ability and energy have been produced by colder climates in which the accumulation of wealth was not possible, has moved into a region where the accumulation of wealth is a natural phenomenon. A strife at once takes place among these abler men for the wealth. As a result, the ones with the highest organizing and acquisitive abilities rise to power.

At this point another factor enters. These men of wealth desire to transmit their possessions and power. As soon as property is handed on and some fathers of families possess more wealth and power than others, and some sons and daughters are the prospective heirs of more property than others, there naturally arises an ambition on the part of parents to unite their children in marriage with the children of other rich men. The ambitious will be the very ones most inclined to seek such unions. Their craftiness and abilities are handed on. *No matter how much mere luck enters into the acquisition of wealth, those will acquire the most property who have on the average the ability so to acquire it.* Thus, the richer and more intelligent families (in so far as wealth is an indication of intelligence) will by force of marriage unions be brought together, while the poorer and less successful will be left to marry among themselves.

By this process two situations are brought about. The upper

classes are separated biologically from the lower classes, and also the upper classes enter a new stage of evolution where they can preserve new hereditary variations around higher levels. This means that while some children would not be equal to their parents, yet now and then one would be born with even higher abilities. Thus the tendency to pyramid their biological gains, and to increase their natural abilities is greatly enhanced. It literally happens that "to him that hath shall be given." In this process Woods has applied a word coined by himself—"conification"—the tendency to push up cones of leadership.

Of course, in time a new danger is introduced. By and by there are so few persons in this supreme class upon whom the whole destiny of the nation depends, that any chance misfortune may upset the pyramid and the whole civilization come to a sudden downfall. Beyond question, this dramatic phenomenon has taken place time and again in history. It is commonly referred to by historians as the downfall of peoples, but it is nothing of the sort. The peoples have not fallen, because they have not risen. It is the downfall of rulers. When they pass the civilizations pass.

This, Woods believes, is the true biological account of all the early states of civilization and the creation of those upper social castes which furnished the social and military types of leadership.

"How otherwise," asks Woods, "could the supremely important few have been engendered? The aristocratic force is made up of impulses lying in the germ-plasm. No matter what may be the form of government nor how much the laws of man give power, in theory, to the people, as long as sexual selection tends to mate like with like just so long will the laws of mental heredity work toward the formation of governing classes inherently superior to the sons of other men. Universal suffrage and universal education, the most carefully equalized scheme of social opportunity, cannot prevent this tendency, this splitting up of mankind into sub-varieties, castes and breeds. Nor does all this fail to have a significant relation to the future. It is

probable that this separation into castes is increasing rather than diminishing at the present day in all European countries, and especially in the United States, where the opportunities for acquiring wealth are particularly abundant. Historical science can scarcely at present predict the future, but it can interpret the past. If the work of the world has been initiated and directed by a very few great men, and these men are the predetermined products, not of outward but of inward differences, the true interpretation of history must hinge upon the germ-cell, and the laws of history will be found to be but a part of the laws which govern all organic life."

We see, then, clearly from all this, that there are two immense tendencies at work, one which separates men into upper and lower classes, and one which leads men of lower classes constantly to try to push up into the upper classes and secure a larger share of their perquisites of wealth and power. This is the crux of the conflict between aristocracy and democracy. They both have their foundations in powerful biological agencies seated in the very constitution of mankind.

We see, then, that leaders do not arise by magic but by natural selection, and that the chief agency in selection is wealth, which enables men of differing ability to assert their influence and power and by constant in-breeding to perpetuate those talents which enable them to create wealth and acquire power.

That this actually happens Woods amply showed in his famous research, *Mental and Moral Heredity in Royalty*. Since this research is also out of print, and perhaps some have not examined it, I venture to point to its main conclusions. Over a period of from 500 to 1,000 years Woods examined the lives and achievements of all the men and women, numbering 832, who sat on thrones in various European nations, and also those of their brothers and sisters. It furnishes us with very excellent data for determining what may be due to heredity, and what to environment. Throughout this period Woods finds that it is scarcely necessary to take into account the environment factor at all, since in nearly all cases the genius and great leader

appears just where we should expect him to appear from a knowledge of his pedigree, and the imbeciles and nincompoops fall into their places easily and naturally in the same way.

It is not in the least necessary to maintain that these families were superior breeds, since the object is merely to find out whether the pedigree predicts and explains the man. In 90 per cent of the cases it does so. It is commonly said a man is the product of his environment, the outcome of his times. But it is just as reasonable to suppose *a priori* that the times are the product of the man. This has surely been the case with the vast majority of these royal persons. We might say the times produce the man, but we can hardly argue that *the times are retroactive and produce the pedigree!* Yet we find that as a rule a man is correlated not only with his times, but to a much higher degree his times are correlated with his pedigree. A man's times are more like his ancestors than they are like him!

It may be objected that a king, by reason of his powerful position, would distinguish himself beyond his natural powers. But Woods has put this to the test by finding that the brothers of kings have distinguished themselves just as often as has the king himself, although the latter had, it is safe to say, many times the chances to do so, if he had the ability.

We can, therefore, say with considerable assurance that these leaders, where they were leaders, were due to natural selection, and what Woods calls conifcation. As to whether this process of accumulating wealth and power produces truly great persons as leaders, I think we have ample evidence that it did. Out of the 800 persons under consideration—nearly all related by blood—more than 25 of the men and 19 of the women rank among the world's unquestioned persons of credit and renown. Just a few of them are such men as Gustavus Adolphus, Gustavus Vasa, William the Silent, his son Maurice, probably a greater general than his father, the great Turenne, said by Napoleon to have been "the greatest master of military science of all history," Henry the Fourth of France, William the Third of England, John the Great of Portugal, Frederick the Great,

unscrupulous but immense military genius, his brutality being well predicted by his pedigree.

Among the women are such names as Isabella of Castile; Maria Theresa; Ann, Duchess of Longeville, sister of the great Conde; Ann Amelia, Duchess of Weimar, patroness of Goethe, Herder and Wieland; besides a dozen others of first rank and numerous names of lesser rank. This makes at least 40 persons of unquestioned personal greatness out of 800. To measure the effect of intermarriage and heredity in producing leaders, let us imagine some street parade of 800 men and women and finding among them 40 such persons, or even five men, such as William the Silent, Henry of Navarre, and the like, and five women such as those just named, women capable of conducting governments and leading armies. It staggers the imagination as to the power of heredity in producing the leaders of mankind.

The next question to ask is whether these persons, produced as they were by natural selection, were the natural products of civilization—that is, adapted to the type of society which they in the main founded. I am again forced to appeal to Woods's *Influence of Monarchs*. He has taken fourteen countries covering in each from 500 to 1,000 years, and shown that the conditions of each reign closely approximated the natural qualities of the ruler. That is, under able rulers business and economic and educational conditions improved; under weak rulers they almost uniformly declined. Summing up this entire research, out of 354 rulers, we find 105 instances of a superior ruler associated with advancing conditions, and only 11 associated with a decline. And these 11 are mostly explained by extraordinary situations. In terms of percentages, the three classes, namely, strong, mediocre, and weak monarchs, are associated with strong, mediocre, or bad conditions in about 70 per cent of the cases. Kings and queens do not amount to much now, but my purpose is merely to show the natural evolution of the leader and his adaptations to the type of society in which he appears.

Certainly this is a most remarkable phenomenon, and one pretty well overlooked both by historians and business men.

Many persons seem to believe that business conditions are due to some magic of the weather or sunspots or something equally remote. Leaders are the chief factors in all business. Nothing is more important to this nation than, than to elect able men to the presidency and congress and keep business out of the hands of second-class men. We need but to look over the history of the railroads of America, or any set of industries, to see that the influence of leaders has been just as marked amid our democracy as it was in the broader history of modern Europe. If we needed confirmation of this, Woods's research disclosed that throughout the history of England where the thesis that the monarch was the chief influence in producing national conditions did not satisfy, this apparent discrepancy was easily accounted for by a study of the premiers. Great premiers made good conditions, and weak ones made poor conditions in a majority of the cases.

**Past Civilizations Produced Military Leaders.** It is evident, then, that past civilizations have begotten in a perfectly natural way, mainly military leaders. Nearly all the great generals of history have been monarchs and royal generals. They were monarchs chiefly *because they were great generals*. I doubt that much military genius exists among the common people: The World's War did not produce any encouraging number of great leaders, so far as our present impressions go. This might be worth thinking about should democratic nations come in time against nations, such as Japan, which have preserved the feudal system which selects its members and intermarries them chiefly with a view of producing military talents.

**Will a Business Society Produce Business Leaders?** We come now to the question whether our vast economic society will produce leaders of an economic and social type. It seems discouraging that business men have not endowed research to find this out, because it involves the whole future of the business structure, and that means the structure of our civilization.

Once more I am forced to cite the researches of Woods in evidence. He took some forty families of Colonial times and estimated their wealth, and found from the records the number

of intermarriages between the persons of wealth and the yeoman and peasantry in Colonial days. He took the Register of the Massachusetts Society of Colonial Dames—a characteristic leading class in America in early days—and compared them and the number of their marriages with a lower economic group, and then followed the descendants of these two groups down to modern times and compared the number of intermarriages taking place now.

**Our Social Classes Becoming More Widely Separated.** The striking fact brought out is that while the upper and lower classes in early days were separated by only a narrow interval, as judged by wealth and social position, yet today those same classes are separated by a vastly wider interval. Whereas marriages between the uppers and lowers were common in Colonial times, they are now so rare as to be exploited across several columns of the newspapers.

**The Millionaire Appears.** For example, the records show that the average yeoman of that day possessed, as shown by wills and other documents, from \$500 to \$1,500. If a man possessed more than \$1,500 he was permitted to wear lace on his clothes. There was a law that a man worth less than this could not wear lace. The well-to-do yeomen, and the officer-yeomen and gentry, often possessed from \$2,500 to ten or fifteen thousand. Robert Kane, one of the richest men, left in 1656 an estate valued, roughly, at \$12,500. Captain Thomas Brattle died in 1683, leaving an estate of £7,827, roughly about \$40,000. One historian, Savage, states that this was "probably the largest in New England."

Thus we see that the richest men were not more than fifty times as rich as the average. By the year 1750, a hundred years later, a few fortunes are listed at half a million dollars each. This would make the very richest man at that time perhaps three hundred times as rich as the average citizen.

By the year 1851 the millionaire had actually begun to appear in America. A number of persons at that time are given in various records as possessing a million each, and one man is listed at three millions. This was probably six hundred times

the wealth of the average. Of course, the average wealth had no doubt risen somewhat, but the supreme wealth of the few had risen relatively faster.

In Woods's own remarks on this point, he says: "The differences increase as we approach the present day, during which time many persons in New England have left estates valued at twenty millions or more, that is, several thousand times the average. If we consider the United States as a whole, the very richest men today, those who are worth \$100,000,000 or more, are certainly as much as 10,000 times to 100,000 times as rich as the average. There can be no question, as far as the distribution of wealth is concerned, that there has been in America a process of conification. The average wealth has risen somewhat, but the point of the cone has risen faster than the mass. If the mass be represented in a graph as being 6 inches high, the top of the drawing, representing the very rich, would have to be carried up at least 5,000 feet in the air."

It is of supreme interest to note some of the descendants of these original forty families. All evidence goes to show that they were persons of only moderate abilities. But wealth, with its separation of men into social classes, and their consequent intermarriage and in-breeding creates ability. Woods did not select the ancestors of these people because of their ability, but solely because of their wealth and social position. But the marriages then were so common between the gentry and the common farmers and yeoman, that the whole stock could not be called notable. But see what conification and pyramiding their biological gains—in other words, in-breeding of ability—has brought about in their descendants. Just a few of them are: Charles Francis Adams (born 1809), Charles Francis Adams (born 1835), Henry Adams, Brooks Adams, Dr. Henry J. Bigelow, Phillips Brooks, Algernon T. Jefferson, John Randolph; Julian L. and Archibald C. Coolidge; the Rev. Nathaniel, the Rev. Octavius B., the Rev. Paul and Louis A. Frothingham; Amos A. and Bishop William Lawrence, Dr. Charles S. Minot and Wendell Phillips.

While it is a common national sport to belittle the financial



ability of the sons of rich men and families whose members are born to wealth and high social position, yet, as a matter of fact, there can be no doubt that there is going on now an immense conification of the financial ability of the world. Wealthy families, as never before in history, are meeting each other at the pleasure grounds and watering places where they congregate, and on steamships and the like, and their sons and daughters are intermarrying and building up cones of financial genius all through the leading countries. There is no doubt in my mind that, whatever it is in human intelligence, temperament and physique which enables men to acquire wealth, these qualities are being powerfully conified by this intermarriage process. These wealthy families are building up financial genius, just as in past ages military genius has been built up by intermarriage and conification. These families, I think, are going to control the world for a long time to come. They will be, of course, to some extent recruited from the ranks. They should, for their own good, devise measures, such as profit-sharing schemes and the like, which will give better opportunity for a man from the ranks to rise than he has ever had. These schemes may also distribute wealth more widely and generously than ever before, and bring about a greater general well-being than otherwise would be possible.

We have seen that the great and able monarchs, by the very fact of their high ability, enormously and suddenly increased the well-being of whole nations, when their genius took charge of public affairs. For these reasons, I have no fear that this conification of financial genius means oppression of the masses or a decrease in the opportunity of the common man. *I never have any fear of genius.* It is about the only thing in the world that we do not need to be afraid of. The thing I'm afraid of is always the second-class man. When he gets into power, the liberties of men are put in jeopardy, and the wealth and well-being and opportunities for the free pursuit of happiness of common men always decline.

There are two questions, however, of extraordinary importance which remain unanswered. The first question is, if genius

be chiefly due to heredity, and if forces are at work which cause leaders with natural abilities to rise to power, has any society yet been devised which gives an opportunity for *all* its potential leaders to be discovered and assume their rightful office? The second is the question brought up by the decline of the birth rate among those who do become leaders.

**Many Leaders Remain Undiscovered.** The first question is easily answered in the negative if we trust our common observation. On this point, however, Dr. Catherine Cox, of Stanford, has recently done a large amount of critical work which Mrs. Wiggam has written up in a summary in the *American Magazine*. Dr. Cox concludes that there must have been at least an *equal number* of children of equal ability with those who have become great geniuses, who have never been discovered because of adverse circumstances. She studied the childhood of 300 of the leading geniuses of the past 400 years, and found that in perhaps half the cases some apparent accident, or chance circumstance, could be said to be, if not the cause, certainly the occasion of the genius ever rising to power and influence. As an instance Newton was discovered by an uncle at the age of 15 lying under a tree, while his horses stood idly in the furrow by the plow, absorbed in an abstruse treatise on higher mathematics. By mere chance this uncle was himself a university man, and appreciated the significance of this occurrence. He arranged at once for the lad's university education. We tremble to think what civilization might be now, had it not been for this trivial incident. Victor Cousin, the French philosopher, was a ragamuffin lad, who chanced to run out in the street and rescue a boy from being run over by a vehicle. The lad's mother rewarded him with an education, and at 18 he was sweeping all the university prizes in Paris.

Both common-sense and critical investigation thus convince us that vast amounts of genius are lost, and herein lies the great function of the business, as well as the educational organization of the future, namely, the discovery and motivation of all its genius and leadership. We have also in our age a new factor, and that is that more types of genius can find

employment. We see no reason to doubt that as much business and inventive genius existed in the Middle Ages as at present, but these types had no encouragement or opportunity. We may thus say that while Nature makes the genius, and while civilization is chiefly the product of the supreme geniuses of the dominating, organizing type, yet under cover of that civilization vast amounts of other types of genius should, and could, be discovered to give tone, meaning, and character to the social order.

The last question to which I can address a moment's attention only, although it should require an entire lecture, is what becomes biologically of the blood—or, rather, the priceless germ-cells—of the leader who is selected and elevated to his social ministry? Does he reproduce his breed—one of his really supreme duties to his fellows? Unfortunately he does not. Except under very favorable conditions, such as that in the royal families, the successful sections of society have always tended to die out. Just now our college graduates are easily demonstrated to be vanishing as a human breed. From them have sprung nearly three-fourths of our leaders, and in the future nearly all our leaders will secure some form of higher instruction.

In addition, Pearl has recently shown that every occupational class, which he divides into nine categories, are all disappearing *as groups* owing to insufficient birth rate. Only three classes he finds are reproducing themselves, namely, the farmers, factory workers, and miners. The other six groups, namely, the professorial, clerical, trade, domestic service, public service, and transportation, are not maintaining themselves. He shows, however, that *within each group* there is a small remnant of super-fertile men who are more than maintaining their own section of that group. In my judgment the whole future of society and its leadership is contained in the question, who constitutes this group? Is it the better or worse, the less or more able? We shall submit some evidence in answer to this all-important question in a moment.

Pearl thinks that we can safely depend upon the farmers,

miners, and factory workers, to supply our future leaders. I can scarcely share his optimism. Havelock Ellis showed, by taking the *British Dictionary of National Biography*, that from the earliest times, down to 1800, the sons of craftsmen, artisans, and unskilled laborers have furnished nearly 12 per cent of the eminent persons of British history. However, these same classes during the next quarter of a century furnished barely more than 7 per cent; and during the next quarter barely more than 4 per cent. Ellis first noted the existence of this decline in the production of leaders from the working classes, and Woods pointed out its probable cause. This cause, he maintains, is that democratic opportunity and the advent of machinery has given the abler members of the working classes a chance to rise. It is a true example of social and biological conification. They have married into the upper classes and thus intensified the talents which enabled them to rise. Democracy is thus apparently at war with itself, and is bleeding its common classes whiter and whiter of their best blood. It would seem that a free economic society is bound thus in time to perish from the biological disaster brought about by its own success.

Recently I had a letter from Mr. Alleyne Ireland, in which he stated that he had carried this investigation of Ellis and Woods down to the present time. He said by taking all the more renowned persons in the *British Dictionary* from 1700 to 1800, he got a total of 120 persons of whom nearly 23 per cent were drawn from the working classes. However, by taking all the more eminent men born since 1825, he got 112 names, of whom roughly only 5 per cent were from the laboring ranks. Ireland comments to me as follows: "It seems to me that democratic opportunity is lifting up out of these lower orders all that is most worthy in them and in time this process will strip these classes of their higher types of ability and temperament." All this does not accord with Pearl's optimism.

**Is There a Remedy?** Certainly no graver question can confront the whole democratic theory of civilization than the question: Is there a remedy for this situation? Recently I have begun to see some hope that there is and in it, I think, economic

conditions brought about by business men in the future will play a large part.

In bringing forward this line of future hopefulness, I must allude to what I regard as the most important, most overshadowing fact of the modern world. That fact is voluntary birth control. No species of plant or animal has ever been able to control its own reproduction. If it had, and could have, selected its ablest members for survival, some other species of animal than man would likely have possessed the earth. But man has attained this triumph of intelligence, and so far has used it chiefly for the destruction of the very classes upon which the continuance of his civilization depends. Can we reverse that process?

I see some evidence that it is already beginning to reverse itself, as birth control becomes simpler and easier. I might stop to say here that soon there will probably be announced a new method of birth regulation which is purely biological—something which so far has not existed, which will rapidly spread the beneficence of birth regulation to the more ignorant classes—the very ones who need it most if our social order is to continue. I have fully described this biological serum or preparation in my *Next Age of Man*. It works with clock-like precision with animals, and the experiments so far indicate it will work with equally machine-like effect upon human beings. If so, I am beginning to cherish hopes that it may mean an ushering in of a new age of man, where his evolution will begin a new stage around higher levels.

My evidence for this hope and impression is meagre, but I think is rather crucial. Again we refer to F. A. Woods, who has done more on the problem of man's future evolution perhaps than any man since Galton, and has recently investigated the men of Harvard who since graduation have been admitted into *Who's Who in America*. Speaking roughly, he finds that only about 9 per cent of those who remain bachelors attain this distinction, while those who marry and have no children have been elected in the proportion of 16.44 per cent. Those with one or two children have been admitted at the rate of

16.91 per cent. At this point there comes another distinct advance. Those with three and four children have been admitted at a rate above 18 per cent. The rise is fairly regular and clear, from the childless married men up to the three and four-child men; and, as I have gone over all the figures several times, they indicate clearly that any irregularities would be ironed out with larger numbers, since Woods took in only about 1,000 graduates.

Recently I had a letter from Dr. Woods from London saying he had just completed a research on the British nobility which showed the same result, the abler and more renowned members of the peerage having a much higher birth rate, or rather the reverse, those with several children had attained the highest distinction.

Stimulated by Woods's research, Dr. John Phillips has studied the Harvard graduates on the same point, using a number of other criteria of worldly success than merely admission into *Who's Who*. He writes me that by whatever standards we judge success, the men with the most children attain the most success. The recent studies in *Who's Who*, by Leon Whitney and Ellsworth Huntington, reach, when summed up, practically the same conclusions. I have not gone over all the figures closely, but Mr. Whitney has personally assured me that this was their conclusion. He also assures me their researches indicate that birth control and democratic opportunity are eliminating the middle class everywhere and dividing the population into two distinct classes, the upper and lower. The middle classes are eliminating themselves by birth control on the one hand, and by the tendency of their abler members to rise and build social cones high above the average of the population on the other. Incidentally, Whitney and Huntington's figures indicate that the fundamentalists in religion are dying out—something which could hardly cause a biologist to grieve.

**A New Age of Man.** But certainly this evidence indicates that man is entering, through his own science applied to his reproduction, a new stage of evolution. Alexander Graham Bell showed, just before his death, that race suicide, in the sense of

a race disappearing from lack of births, is a biological impossibility, since the more fecund members who love children are constantly the ones who are left. Thus by intermarriage the trait of fecundity is constantly intensified and race suicide is, itself, the most potent cause of race expansion. If this works upon the race at large, there is no reason why it should not work upon its special groups, and while groups such as our college graduates might be dying out as a class, they are at the same time, through their economic success, building up cones of fecundity within themselves as well as cones of wealth and social position. The abler classes, *as classes*, are dying out, but *not all of them*. Within each group there are probably those supreme men of energy, of social ambitions, of social sympathies, of economic ability; of civilized tastes, desires and temperaments, who are not dying out.

In this way civilization is, no doubt, evolving a naturally civilized man—a man adapted to reproduction amid all the social strifes and temptations which a brilliant and exciting social life offers. We hear a great deal of the economic burdens of parenthood. It would seem at first thought that the economic system was specially rigged to prevent the birth of children from its most successful men and women. But it might also be, as these figures indicate, that the higher the social pressure against parenthood, the higher would be the ability, social temperament, and civilized capacity of those who fight through all odds and build a home, build a community, rear a family, and at the same time achieve worldly wealth and success.

Moreover, the figures of Woods, Phillips, Whitney, and Huntington all fall in line with all we know of biological traits, namely, that good traits are linked together in the germ cell. Intelligent people, for example, live longer, have better health, sounder constitutions, better moral character, and all that makes civilization in higher degree than mediocre and stupid people. Their figures show also what we would expect as biologists, namely, that fecundity is linked with moral character and intelligence. Their findings are in exact line with all the

developments in biology and psychology of the past half century.

Consequently, I think we are not at least going beyond what Huxley called "a scientific use of the imagination" in believing that an economic structure can be built of such a nature, with the instrument of birth regulation in our hands, which would make better and better provision for these abler members to rear more and more children, and thus supply our society with naturally civilized leaders in abundance. The jungle produced a man adapted to the jungle; the military stages of civilization produced, as we have seen, leaders adapted to a military society. There is, then, every reason for supposing that if civilization can but go on long enough, it will likewise evolve men naturally adapted to a civilized, economic, democratic life of the highest refinement and most widespread social beneficence.

I am able to make few practical suggestions, but I believe I have shown that the organic tendency of man to produce natural economic and civilized leaders for an economic, scientific type of society is inherent in his hereditary constitution. I believe that research would reveal that there would be numerous ways by which our education, our wage system, our social ideals could foster and increase that tendency. A few men and women of the very highest social types are fighting their way through to success, and reproducing their ability and temperament in a sufficient number of children who will repeat the performances of their fathers and mothers. And, just as we showed that vast amounts of leadership and genius remained undiscovered and unmotivated, which modern psychology coupled with economic wisdom could discover and motivate, just so would these able people, once discovered and taken care of, tend to reproduce their qualities of leadership in an ever-increasing breed of civilized people. I admit I cannot altogether prove dogmatically my position; nor the reasons for my faith, but faith, of itself, counts for something in forwarding social processes.

All I can say is that if this hope of a new trend in evolution and the production of social and economic leaders is not soundly



based, then I, personally, see little room for believing that democratic civilization and the beneficent economic opportunities brought about by science, can outlast the present century. If men are willing to take advantage of the economic glories and pleasures of science, and not willing or able to adapt their reproduction to the new environing conditions, then we are merely in the midst of a biological joy-ride with the Dark Ages and a military and feudal organization of society at the end, which we have seen does produce the leaders who are naturally adapted to its kind of social and economic life. •

### QUESTIONS

1. How do leaders arise? •
- 2. Have leaders in times past been natural products and, therefore, adapted to the sort of civilizations which they lead?
3. Will an economic society produce leaders of an economic and social type?
4. How devise a society which gives equal opportunity for *all* its potential leaders to be discovered and assume their rightful office?

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## CHAPTER II

### LEADERSHIP IN A DEMOCRACY<sup>1</sup>

**Introduction.** In concentrating attention on the subject of leadership, Dr. Metcalf has again shown his ability both to interpret current trends and to forecast future ones. For in this day and age of conferences, committees, board meetings, employee representation, and the like, the technique of leadership is, or ought to be, the outstanding problem of management. The manager of today encounters a daily challenge to exercise leadership whether meeting with his directors, his subordinate executives, or members of the rank and file of employees, both as individuals and in groups. The day of the fiat—"thus let it be"—the day of the edict—"thus saith the Lord"—is passing. In really progressive organizations it has passed, never to return. The new order is the democratic order. It aims to win the cooperation of free men, not to command the obedience of underlings.

For this reason students, observers, and practitioners of management under modern conditions will do well to give heed to the qualities and methods of recognized leaders in whatever field they have appeared. Such students may well consult the biographer, the psychologist, and even the biologist. It is with their aid that a knowledge and, perhaps some day, a science of leadership may be worked out.

It is highly appropriate that a single discussion in the series has been devoted to a consideration of political leadership. For there is probably no field of human activity where so many variations and combinations of qualities that make for leadership appear as in politics. This is perhaps due to the heterogeneous, unstable, and uncritical elements in the "follower-ship" of political leaders. Chameleon-like, they must adjust

<sup>1</sup> William E. Mosher, Director, School of Citizenship and Public Affairs, Syracuse University; Co-author, *Electrical Utilities*.

themselves to the vagaries of a fickle-minded, emotional public, to the criticism of a competent minority which is quick to sense the "playing of politics," and to an opposition that is often not over-scrupulous in its methods of attack. As a consequence political leadership is highly diversified. It offers a fruitful field of study and observation for those interested in understanding the character of leadership in general. In other words, many qualities will be discovered that are required for successful leadership in non-political fields. This will appear, I believe, as I seek to point out and characterize what I consider to be essential qualities in the different political types.

**Two Types of Leadership.**<sup>1</sup> It is not my purpose to give an exhaustive list of the various types of leadership, but rather to limit the discussion to a consideration of the two dominant types that appear in a democracy. The first is the leadership of *control or manipulation*, and the second the leadership of *merit*. The former is undemocratic in its nature. It looks upon voters not as independent citizens with inalienable rights, but as pawns upon the huge chessboard of politics. It uses jobs, contracts, favorable legislation, and what not to further its own ends. The latter, on the other hand, seeks to win and maintain its position by really facing problems, and proposing solutions that will appeal to the insight and sound judgment of a self-determining citizenry.

A further distinction between the leadership of manipulation and of merit is to be found in the difference in the ends in view. The one aims at the advancement of personal or party interest, while the other rises above party and self in the interest of public well-being.

<sup>1</sup> One of the best studies of political leadership known to the speaker is Professor Charles E. Merriam's work, entitled *Four American Leaders*. He analyzes from this point of view Lincoln, Roosevelt, Wilson, and Bryan. The traits emphasized are physique, intellectual equipment, humor, sensitiveness to currents of thought and feeling, inventiveness and resourcefulness, dramatic sense and power of expression, facility in personal and group contacts, political sense, courage and integrity.

The extent of the speaker's indebtedness will be evident as he has adopted most of these traits in the following analysis. For this he makes grateful acknowledgment to Professor Merriam.

The manipulator is to be likened to the monarch of the nineteenth century. The ultimate goal was the preservation of the dynasty. The ruler tolerated no influence that would endanger his power. He also granted no favor except to build it up. Apart from the feature of heredity, therefore, the lord, and master of an earlier period is kin-brother of the political manipulator of today. Because of this similarity we may well designate the two types under discussion as the autocratic and democratic.

It is not to be assumed that examples can be easily listed that will illustrate the two types fully and satisfactorily. Even a Roosevelt used patronage with the skill of a ward boss, even Platt put the seal of his approval on legislation that only remotely served the interests of his party. The records of most leaders, however, will justify classifying them under one or the other type.

It is not our purpose to classify persons, but rather to consider qualities of leadership. An analysis of such qualities goes to show that leaders of both types share in most characteristics, but that they make them manifest in different ways and particularly for different purposes. For instance, the art of public speech is requisite for leadership. The autocratic leader uses it to beguile, to confuse, to confound. His natural role as a public speaker is that of a demagogue. On the contrary, the democratic leader speaks for the purpose of clarifying and explaining. He appeals to the reason, not the emotions, and not the prejudices of his hearers.

In the following discussion of the qualities that mark the leader, reference will be made to the ways these qualities manifest themselves in the two types considered above. After dealing with the qualities that are common to both, two further qualities peculiar to the democratic type will be considered.

**Qualities Common to Both Types.** *Sociability.* This signifies the capacity to make human contacts. It is the mainspring of confidence and devotion on the part of one's followers, a fundamental basis for leadership in a democracy—of whatever type, from ward boss to president.

Subtract from Lincoln his human sympathy, from Bryan the goodness of heart and personal disinterestedness, from Roosevelt and Smith their characteristic attitude of hail-fellow-well-met, from Platt the patient understanding and insight, from Hanna the capacity to make others' interests his own, and you have withdrawn the very foundation of their power. All really liked people. Human ties were, or are, an important and genuine part of their joy in life.

Woodrow Wilson forms a striking contrast to this whole group, because of his singular inability to make and hold friends. His success in spite of this deficiency is a striking political phenomenon, and most difficult to explain. As is well known, he had few intimates, and even this small circle was continuously changing throughout his career. Wilson compensated for this first by the power of ideas which at times approached or even took on a prophetic character, and secondly by his skilful use of the power of patronage.

President Coolidge is also known as peculiarly lacking in sociability. This alone would have made him "unavailable" as a candidate for the presidency, whereas its presence went far toward commending Mr. Harding for this high office.

Of the present candidates now under consideration for the nomination, Mr. Hoover is put by many in the class of "unavailables" because of his inability to build up a personal following.

This same quality has to be magnified or projected, as it were, in dealing with crowds of people in public gatherings. This task is, of course, much more difficult than in face-to-face contacts with individuals. In establishing personal intimacy—or in bringing about the appearance of personal intimacy with large numbers—bearing, language, familiar references, and anecdotes on the level of the audience will come into play. Again, Roosevelt and Smith, as well as the lamentable Bill Thompson, serve as illustrations of the power that has been called the "projection" of the social sense." By identifying themselves with the crowd they made it easy for the members of the crowd to identify themselves with the leaders. This self-identification

on the part of the mass is recognized by the psychologists as one of the chief factors in crowd psychology.

*Capacity for Organizing Groups.* The simplest and most customary type of political organization is the more or less continuous party organization that builds upon the foundation of the precinct committee, and finds its capstone in the state committee. When harmoniously organized as under Platt, for example, it resembles a small army, thoroughly disciplined and coordinated. But it is never stable, as there is a continuous competition and even conflict for the position of boss in all the units up and down the state. Here is where leadership comes into play. The leader must have a genius for integrating interests—to use Miss Follett's term.<sup>1</sup> It is reported that Mr. Platt was not lacking in this capacity, having almost infinite patience to hear all sides of any controversy. According to Croly, Mark Hanna also had developed great finesse in bringing together disparate and even hostile groups in the Republican party.

On another level; Wilson, before our entrance into the World War, performed a notable feat in holding the Germans and other nationalistic groups in line, as well as the bellicose members of his own party.

The power of welding groups together through the capacity for reconciliation of divergent interests and personalities is essential for leadership. In politics this power is always increased by the lever of patronage, contracts and legislation, in the case of the typical autocratic leader to a great extent, and in the case of the democratic leader to a lesser degree. The latter depends rather on his creative intelligence in order to integrate conflicting interests.

• *Responsiveness to Current Events, Influences and Ideas and Possibilities.* In a growing democracy there is a ceaseless ebb and flow of problems and emotions and ideas arising from them. Sensitiveness to the shifting sentiments and interests of the public spells success or failure to the democratic leader.

In its lesser manifestations this responsiveness may spring from an acute sense of "hearing," that is commonly due to the fact that one keeps his ear to the ground. Platt was spoken of as an "efficient listener," and McKinley, in Depew's estimation, "kept his ear so close to the ground that it got full of grasshoppers." Such leaders give the people what they want.

In other cases this responsiveness amounts to an almost uncanny instinct, perhaps even to a genius, for appreciating worth-while, or even lofty, issues to which the public will respond. Lincoln, Roosevelt, Wilson, Lloyd George, and Smith had, or have, this capacity in a remarkable degree.

Just within a day or two Lloyd George has given evidence of it in the stand taken on British disarmament, insisting as he does that Great Britain should determine what its actual needs are to protect its trade lines in time of war, and then to disarm to that point whatever the United States or any other country may do.

Al Smith's present prestige is due to a considerable extent to this same ability. His stand on the reorganization of the state government, welfare legislation, and water-power control, showed a real insight into popular sentiments and trends.

Merriam points out that in view of Wilson's aloofness from personal contacts, he had an uncanny prevision in this regard, sensing as if by wireless the sentiments of the public. I need only to refer to his appeals at the outbreak of the war.

• With respect to this quality the autocratic leader with an eye to his party interest, gives his followers what he thinks they want. • He looks to immediate ends, and is not particularly concerned about subsequent developments, ultimate effects, or principles. The democratic one, on the other hand, is guided by just the considerations that the manipulating leader overlooks, having in mind the progress and well-being of the people *in the long run*. He responds not primarily to obvious and articulate public sentiment, but has in mind the potential capacity of the public for appreciating principles and ideals.

*Flexibility and Ingenuity in Devising Compromises and Policies.* One chief means of building up a group and bringing about cooperation is the practice of the art of compromise, which has been identified by some with the very essence of politics. This ranges from the reconciliation of persons, who may each be seeking appointment to a single vacant position, to a compromise on an important policy. A typical illustration of the latter is the method of placing the prohibition issue before the people of New York State as was done during the last election. It will be remembered that a referendum was framed which provided that the legislature of New York State should petition Congress to depute to the forty-eight states its power to determine the percentage of alcoholic content that was really intoxicating. The futility of such a petition was apparent to anyone acquainted with the history, character, and temper of the Congress. But public sentiment demanded some action on this important issue. Responsive to this demand the politicians framed a compromise measure that met the demand, but in no way endangered partisan interests. We find here responsiveness, but of constructiveness not a trace. This is characteristic of autocratic leadership.

Almost countless illustrations of this type of responsiveness might be found in party platforms. Only the other day President Nicholas Murray Butler, who sometimes speaks out in school to the discomfort of the instructor and many of his fellow pupils, charged political leaders with being "too lazy to think." This laziness, if it is laziness—I am inclined to believe that it is rather a lack of inventiveness on the one hand, and lack of courage on the other—is chargeable to the political apathy of the time. This is the heyday of autocratic leadership. Political manipulation for personal and partisan ends is in the saddle. To face real issues honestly may easily lead to ticklish situations. The part of political wisdom is, therefore, to avoid, evade, or take refuge behind glittering generalities.

It is just here that the test of democratic leadership is found. As Mr. T. V. Smith has so well said, "nature is not subdued



by phrases" and problems are not solved by "palaver but by insight."<sup>1</sup> If democracy is to progress it must be by recognition of facts and principles and the understanding of them. This is the basic recommendation of one worthy of leadership in a democracy. In this does merit consist.

Such an approach has been everlastingly true of our outstanding leaders. Consider Lincoln in his Emancipation Proclamation, Roosevelt in his drive on the domination of trusts, Wilson in the organization of this country for war after a decision was once made, and Smith in his insistence on the rights of socialists to seats in the New York State Legislature and on the reorganization of the state government.

Rarely before in our history has there been such a need of this type of leadership as now—I refer to the pressing problems that have arisen out of our new status among the powers of the world—and rarely has there been such a dearth of constructiveness in high and influential places. "Back to normalcy," the political keynote of the decade, means putting back the hands of the clock of time. Normalcy means among other things international isolation, but international isolation is no longer a fact or a possibility—it is a fancy.

The power of constructive solution of problems in the light of all the facts is the touchstone of democratic leadership. It is the shining boundary line between the autocratic and democratic types.

*Art of Forceful and Popular Expression—Persuasiveness.* There is little need to dilate upon this when voters are counted by the tens of millions, when without serious strain a candidate may see face to face tens of thousands of voters, and by means of the radio speak directly into the ears of millions, and by means of the press make a direct appeal to the eyes of most of them.

Lincoln, Bryan, and Wilson were finished orators, each a master of style all his own; Roosevelt and Smith through their

<sup>1</sup> See T. V. Smith, *The Democratic Way of Life*, Chicago (The University of Chicago Press), 1926. This theme is elaborated in the final chapter of this admirable work.

vigor and dash, their colorful and picturesque phraseology, and their apt anecdotes have swept audiences where they would.

With the exception of Bryan, much quotable material can be discovered in their accumulated writings as well. Although unschooled in a formal sense, Al Smith has written on the rights of minorities and the freedom of worship in a way that compares favorably with the style of the best.

The line of distinction is easily drawn between the autocrat and the democrat in the use of the gift of expression. The former aims to sway his audience to his own ends—and if successful becomes a demagogue—the latter has an eye single to the truth as he honestly sees it. It is not so easy to determine that a gifted speaker in moments of self-intoxication, as it were, can always keep himself free of demagoguery. This charge has been preferred by their critics against all of those whom I mentioned except Lincoln, and he was probably criticized on this same count more than once during his life-time.

The gift of golden speech is essential in a democracy. Like other virtues it carries with it the seeds of its own vices.

*Willingness to Work.* The mantle of leadership weighs heavily on the shoulders of the successful leader, whether he be simply the manipulator of men or the public official who must deal not alone with men, but also with the routine duties of administration and the formulation of policies.

To convince oneself, it is only necessary to observe the day's work of even a local boss who must meet all sorts of people at all times of the day and night. President Harding literally wore himself out by keeping the White House doors always ajar. Handshaking is one of the prices to be paid by the leader in a democracy. If we are to accept the newspaper accounts, the public functions attended by Mayor Walker absorb his whole time and strength.

In addition to the time-consuming duty of meeting people face to face, there is then the task of handling the administrative details that under our scheme of centralized control have become increasingly onerous. The executive today is called upon to

make himself responsible for the management of all departments. This means that no important appointment is made and no important policy adopted without his sanction and approval.

Finally, if the executive undertakes to formulate policy—as he should—this means not alone conferences innumerable, but the hard labor of thought. Real reflection requires time and peace of mind, something almost foreign to our epoch and our climate.

There is, I imagine, no need to draw a line here between the autocratic and democratic leader. The former will exhaust himself with the first and second set of duties with chief emphasis on the first, and the latter will find some time for the third. He who would master his responsibilities in all three fields must be capable of untiring industry and self-sacrifice.

*Capacity to Get Things Done.* Some one has well said that the leader must be both thinker and doer. The campaign for efficiency in government, together with the many important functions now performed by government, has led the public to demand deeds promptly and adequately performed. The local boss knows well that dirty streets and irregular garbage collections cost votes. In spite of the denunciations of Tammany in New York City, it is pretty generally admitted that essential services are well cared for. Even in the matter of crime the New York streets have never been as unsafe as those in Chicago.

The test on this score is not so much as to whether things are done as to whether things are handled at a reasonable cost. Knowing how difficult it is to give or get a strict accounting as to municipal functions, the autocratic leader will not hesitate to throw positions and contracts to loyal partisans, whereas the democratic one aims at a full return in the form of services or goods for all funds expended. Both must get things done.

*Self-Confidence, Courage.* This trait is obviously requisite for all leadership. Self-confidence breeds confidence. It is a prime condition for a loyal followership upon which the power and permanency of leadership depend. In some leaders it develops

into wilfulness, and may even at times leap forth in the form of courage, adventuresomeness, and audacity.

Merriam cites Lincoln's declaration of war against the South and the emancipation of slaves as evidences of self-faith which approached heroism. He stood or fell by the rightness or wrongness of these decisions. Roosevelt's break with capital and his frequent denunciation of individual bosses is another case in point. Wilson's refusal to play the game with Smith of New Jersey after his nomination, called for real boldness and a degree of ruthlessness. Perhaps none of the outstanding leaders to whom I have referred can match Wilson in his belief in his own star. Truly, none of them have said, as Wilson is reported to have said to McCombs, "God ordained that I should be the next president of the United States. Neither you nor any other mortal could have prevented that."

Again, when he came back from Paris he tried to withhold the full text of the Treaty from the Senate, although, as Hollingsworth remarks, it was being sold for a pittance on the streets of Paris.

One of the most dramatic exhibitions of courage in recent years was the conflict staged single-handed against Hearst and Tammany by Al Smith at the Syracuse Convention in 1922, when Smith refused to run as a senatorial candidate on a ticket with Hearst as the gubernatorial candidate.

Instances might be cited to show that such bosses as Hanna, Platt, Quay, and Tweed and lesser lights at one time or another were ready to stake all on the single throw of the dice.

*Personality.* I am not referring to that sum total of traits which go to make what are commonly spoken of as personality. This calls for studies not alone of traits and their combination, and of their origin and development, but also of physiological, morphological, visceral, and environmental influences. In this sense everybody has personality. Reference here is rather to those individuals who react in a striking, colorful, and always characteristic way to the situations of life. Everybody knows what is meant, for example, by the term Rooseveltian response. Al Smith, too, almost always comes back in his own way as

you well know. When he heard of Theodore Roosevelt, Junior's attack on him at Rochester, he said: "If bunk were electricity, Roosevelt would be a power-house." Again, when Mrs. Knapp charged him with having recommended appointments and he was asked for a statement, he said: "My answer to that requires less than 20 words: just let her send me the names of the people I proposed."

It goes without saying that distinctive personality is a prime asset in a leader, whether he be an autocrat or a democrat. It is the basis of what is frequently called magnetism, so necessary for one who must appeal for support to large numbers of people.

**Qualities Characteristic of the Democratic Type.** We come now to qualities peculiar to democratic leaders. The first is constructive treatment of problems, but this has already been treated under an earlier heading which was expanded for this purpose.

*Intellectual and Moral Integrity.* Lincoln is an outstanding example of this trait. His biographers comment upon it at great length. In fact, one of them reports his having said, "I can't succeed in business or politics because I am too honest." But when circumstances conspired to give him a position of authority, no single quality probably so endeared him to the people and so confirmed his leadership as just this.

There are few even of Roosevelt's detractors who question his essential and downright honesty. Probably nothing injured him with his followers so much as his desertion of the Progressive Convention in Chicago when he returned to the Republican fold. For me personally, this is the blot on Roosevelt's escutcheon. It seemed impossible to rhyme this action with the forth-right Roosevelt of former days.

The general impression of Wilson is not so favorable on this score. His break early in his career with Smith, the New Jersey boss, the man who introduced and sponsored him in state politics, has never been satisfactorily explained. His desire to force through the Peace Treaty and League of Nations without candidly laying everything before the Senate, is another case in point. Observers at Paris recount more than one instance

where Wilson seemed able to make the worse appear the better reason. It would seem as though he had taken the wisdom: "The end justifies the means," too much to heart.

Smith has the reputation for downright integrity, both intellectual and moral, and many illustrations might be given to prove it. I have already referred to the break with Hearst. As Pringle remarks, the political advantage seemed to lie in the direction of forgiving and forgetting, but Smith was obdurate against all the maneuvers of Tammany until Hearst finally withdrew. I might also mention his contributions to the 1915 Constitutional Convention to which Hughes, Root, Wickersham have paid unstinted tribute, because he cut through to the issues and cut out "hokum." His stand on the Klan issue at the 1924 Democratic Convention, when he said: "I would rather lose the nomination on a statement of principle than be successful through resorting to subterfuge," is a further illustration of his integrity.

It is not my purpose to glorify Smith, for I know full well that the record is still in the writing, but it cannot be denied that he enjoys a widespread reputation for both intellectual and moral honesty, nor will it be denied that this quality is essential in the list of traits of a democratic leader.

*Independence of Party.* Finally, independence of the political party. This flows inevitably out of the foregoing. Integrity will frequently compel the leader who puts principle and public welfare first to go his independent way. A recent editorial on the possible candidacy of Senator Norris for the presidential nomination lamented the fact that Norris could not be considered as "available because he is too honest—being honest, he cannot be converted into a reasonable fellow."

• This may be true or not with respect to Norris. It is, however, in the nature of things that general welfare and party welfare will all too often not lead along the same route. By way of illustration we have seen a Hughes appealing over the heads of the party directly to the people in the case of public utility corporations and race-track gambling; a Roosevelt whipping a recalcitrant Congress into line time after time by the

same method; and a Smith telling Colonel Green, who is head of the Public Works Department and thoroughly hated by both parties, "to view partisanship with a glass eye."

Occasional independence of party may, indeed, be said to be the touchstone of democratic leadership.

*Conclusion.* I do not pretend to have exhausted the list, but I have tried to touch upon what I consider to be essential traits. Nor have I made any effort to apply these qualities to the field of industry, but you have recognized, I am sure, that there are a number of such applications. In fact, who will finally deny that the government of business increasingly operates as political government in a democracy should operate, namely, on the basis of deserved leadership. Let him have the authority who can master the situation and keep the authority as long as he does master it. In this direction alone lies the course of true progress.

### QUESTIONS

1. What are the characteristics of the leadership of control and manipulation?
2. What are the essential qualities of a democratic leadership?
3. What traits are common to both types?
4. Are these leadership traits applicable to the field of industry?

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## CHAPTER III

### THE NEED FOR AN ENGINEER TYPE OF LEADERSHIP<sup>1</sup>

IN an earlier chapter Mr. Wiggam appeared before you as a biologist. I should like to appear before you as a philosopher. Mr. Wiggam asked the question, "How can we produce more great business leaders?" Mr. Wiggam took it for granted that business leaders are a social asset. But he made no attempt to say precisely what he meant by a business leader. It is at that point, I think, that the philosopher needs to enter. Is a business leader a great social asset? What do we mean by a business leader? Are we sure that what we call a business leader today is the type that we are really desiring? Perhaps a greater type is to come, and then we shall look rather silly if we have been busy reproducing in large numbers a type which is to be discarded. In order to answer such questions about the value of the so-called business leader, it will be necessary for us to penetrate a little deeper into the whole question of the nature of leadership.

We shall find, I think, that leadership has played a very significant part in human history. All through history the leader has been one who has been able to achieve something supposedly good for the group. *What* he has achieved has been admired. *How* he has achieved it has been admired. The leader, in other words, whenever we find him, is a person in whom the group believes. He embodies the group's wishes, ideals, aspirations. It is clear, then, that a group is known by the leaders it follows. The leaders embody its profoundest life, realize its highest aspirations. If we review the different types of leaders that have been powerful in the world, we shall discover the qualities that have in one period or another been most admired.

<sup>1</sup> H. A. Overstreet, Professor of Philosophy, College of the City of New York; Author, *Influencing Human Behavior and About Ourselves*



In the first place, there was the hunter-warrior type. In earlier periods he was more hunter, in later periods more warrior. I shall call him simply a warrior leader, since at all times his aim has been a marshalling of forces against a foe. Many groups throughout the centuries have bowed down before the warrior leader, have followed him with utter and passionate loyalty, have raised their children in admiration and imitation of him. What, now, were the qualities of a warrior leader? He won by force. He won by the strategy of deception. He won, very often, by personal courage. Above all, he won because he had a genius for organized destruction.

Whenever we find a group which follows a warrior leader as its highest type, we find a stage of human economy at which the prevailing technique for securing the resources of life is that of *taking away from other life*. Such a society has only a meagre grasp of constructive techniques. We find such warrior leadership in business when there prevail ruthless competition, getting by taking away, getting by the art of deception, etc. Business removes itself from the warrior stage in proportion as it substitutes constructive for such destructive measures.

Then there was the priest leader. He governed his group by emotional suggestion. He inspired fear, awe, played upon their ignorance, made them aware of their human weaknesses. Revealing these weaknesses to them, he cast them down in complete and uncritical submission to a power greater than themselves. A society in which the priest became dominant was one in which submission to the unknown and reverence for the unattainable were the prevailing attitudes. The technique of the priest was magic—whether prayer or incantation or sacrifice or what not. It was at the farthest remove from a clear objective research into situations. It was a technique which demanded belief, not intelligent understanding.

Is there anything of priest leadership in business today? Perhaps we may come back to that later.

Next there was—and is—the politician leader. Wherever we find him, he is a mass persuader. He wins by appealing to the emotions and the prejudices of the crowd. He is a genius at

mass strategy. He shapes slogans, raises platitudes into apparently momentous truths. Apparently he has no other way of accomplishing his end, for the crowd thinks, in general, not with its mind but with its emotional system. The politician leader, too, is a kind of warrior leader, though without spears or guns; for a chief aim of his is destruction, destruction of his political adversaries. He is, therefore, not chiefly interested in truth, but in victory. So he leads his armies to the battle of the booths. For a society which is dominantly politician minded, the admired technique is persuasion, not truth seeking; the dominant interest is power, not constructive achievement.

At times, in the history of life, another type of leader has appeared. Sometimes he has belonged wholly to a local group, sometimes more widely to the world. Let us call him the seer leader. He is the type who wins by the sheer force of his insight. Jesus was a seer leader, so was Buddha, so was Mahomet. They were all persons who saw, vividly and passionately, a great truth, and uttered that truth with such eloquence of conviction that they swung their world into line. But their power, it will be noted, lay always in a kind of direct or immediate seeing of the truth. They were not explorers, investigators, quiet unravellers of the human complexities. Their minds penetrated directly to certain central truths, and they uttered those truths with a kind of sheer immediacy. Such leaders, wherever they appear, no doubt bring great qualities into life. But one quality which they do not bring is an intelligent habit of scrutinizing the whole series of causes and effects that make up our human situations. They tend, therefore, always to induce a kind of submission to the greatness of their seeing. They numb the mind while they stimulate the spirit.

**A New Type.** These have been the prevailing types of leader in the past. But within a century a new type of leader has emerged. He is the outgrowth of very humble beginnings. He is, in short, the glorified tool-maker.

In the past centuries the tool-maker was a fairly humble creature. He had none of the dramatic distinction of the great warrior. He had attaching to him none of the mystery of the

priest. He was just an ordinary maker of bows and arrows, of stone hammers, or of dug-out canoes. Tool-making was a humble occupation because it could not get very far. It could not add to the group's resources with a suddenness that was dazzling—as could a swift descent upon an enemy. It could not promise things beyond the ordinary—as could the magic-working priest. It was humdrum, always the same.

Then, as we know, in the nineteenth century a certain undreamed-of power was placed in the hands of the tool-maker. Almost overnight—with iron and steam at his command—he became the new magician. He held the power of the genii. He could give the group its three wishes, and could bring these wishes almost to instant realization. Warrior, priest, politician paled before him. He was the new master. He was the lord of things desired.

So it transpires that the old leaders pass away and a new one takes their place. But he, too, takes the place of leadership because he has something to offer that is of primary value to the group.

This glorified tool-maker, however, was not born, like Minerva, in full perfection. He carried traces in him of older types of leadership. Given his new power over material things, he exercised likewise a power over persons. Like the warrior of old, he set about to destroy his enemies, the competitors. He continued many of the old warrior techniques of deception. He adulterated his goods, told lies about them; he built up false structures of finance. And like many a warrior leader of the past, he used his army—the workers—as just so much "cannon fodder." Nor was the quality of the priest leader lacking in him. He prated of loyalty, regarded himself as a kind of trustee of God, preached the sacredness of work, lauded the nobility of poverty, meanwhile storing up for himself the riches that moth doth corrupt. He had much of the wily hypocrisy of the typical wealth-getting priest.

Nor were traces of the politician leader wanting. In times of labor distress, he could present his side to the public in words that were heart-rending. He could persuade his public that

it was better to let him keep their children busy in his factories than have them idle their young lives with the devil. He could send his henchmen to parliaments and take a vigorous hand in the shaping of laws.

Meanwhile, this glorified tool-maker—let us call him now the business leader—has been passing through several stages. In the first stage—it has been a fairly long one—he was occupied chiefly with the mechanical and financial tools at his command. He knew that power could come to him only as he was an expert in these tools. He was like a knight who must have the best sword, the most impenetrable armor. In order to secure the best tools, he brought into his service a type of person who had been emerging with increasing power. He hired the scientist. The scientist taught him that he must understand his tools, that he must have the best that the ingenuity of man could devise. So he became a believer in science so far as tools were concerned. He equipped his factories with the best machinery, his offices with the most useful recording and transmitting devices. And he went forth seeking whom he might devour. The public, of course, was his field of plunder.

His not to serve them well;

His to deceive and sell,

might describe many a buccaneering business leader of that period.

But it came to pass, that such disregard of the public proved more or less disastrous. A new insight began to prevail. It was found that a business succeeded in proportion to the customers it served and kept. Thus a second stage followed, in which thought began to be directed to capturing and holding the public through an understanding of the public's own best interest. It might be called a stage of salesmanship engineering, as over against the earlier stage of purely mechanical and financial engineering. As a result, the period of "the public be damned" began to be pretty definitely succeeded by the period of "the public be served." The mind of this new leader, in other words, began to pass beyond machinery and money to the human beings who were his customers.

But there were still those other human beings, his workers, whom he had consistently disregarded. They were the more or less submissive privates in the ranks. Hitherto he had been able to keep these privates in fair submission. But something curious was happening. The very material things which he had been bringing into life, had been raising the level of the intelligence of the society to which he brought these things. Thus his privates in the ranks were increasingly less and less the simple bumpkins of the early decades. As they learned to live, they learned also to think. They began to question his rather ruthless authority. At times they turned on him in their wrath, making his prosperity fairly precarious.

So, willy-nilly, he was forced into a third stage, in which he had to turn his reluctant mind to these creatures who served him. We are only, as we know, just at the point of entering this third stage. We begin to call it the stage of human engineering, meaning by that term that the best thought of business leadership must be directed towards such an employment of workers' lives that the greatest profit comes both to business and to worker.

Machinery and human lives. The great business leader, unquestionably, is he who realizes that he must understand both. He can be ruthless in regard to neither of them, since ruthlessness spells defeat. Business leadership, then, begins to enter the stage in which it casts off the rather antiquated arts of the warrior, the priest, and the politician, and assumes the art of the scientist. The great business leader, in short, is increasingly the all-round engineer. I use the word engineer, because an engineer "builds." To be sure, in so doing, he gains for himself, but he gains only by methods which are of value to his society. The great business leader will in that sense be an engineer. But he will be more than a mechanical engineer. He will be an engineer in human life.

This, I think, is the destiny of our glorified tool-maker. If this is true, then the problem of every business man, I take it, is to get the warrior techniques out of his system, the priest techniques, and the politician techniques. Have business

leaders actually succeeded in ridding themselves of the traces of these older types of leadership? I suppose that what still makes us so chary of granting the business leader the full measure of our admiration, is that we find him not yet fully free of ancient taints. We seem to find him too often the swashbuckling adventurer, taking what he can get, regardless both of his public and his workers. We find him still the preacher, preaching loyalty to his men while he seeks profits to himself. We still find him too often, trying to run his business by inspiration rather than by scientific intelligence. We find him the fear inspirer, bawling at his people, holding over them the threat of dismissal. We find him all too frequently the eminent politician who makes much of "going into conference," of bringing his staff together for endless talk. And we find him still pursuing his devious tactics in legislation. Also, we still find him, in places, regardless of the welfare of his workers, using those workers for all that the traffic will bear.

Obviously, a so-called business leader with any of the traits above mentioned is hardly the type whom we should wish in large quantities to reproduce. What we are visioning is a type of leader who as yet has come into existence only in small numbers. He is the type who wins our admiration and our devotion because he is our broadest type of engineer. He is one who can take the materials of our existence—the physical and the human—and so shape them that we are all benefited in the finest and most far-reaching ways. The great business leader, in short, is the up-builder. He secures for us the things which we cannot secure ourselves. He leads us into regions which we, by ourselves, have been powerless to enter. He is thus a pioneer in advancing the fruitful organization and control of life.

But there is yet another thing which such a leader tends to do for us. Hitherto there has been a curious division between the so-called higher life of man and the so-called lower. Business was supposed to belong only to the lower. The higher life was relegated, for the most part, to the ministrations of the priest. One lived his higher life on the Sabbath. What we are

beginning to discover nowadays, however, is that man can realize most of his potential powers through his occupational life. If his occupation stultifies him, brutalizes him, frustrates him, so much the worse for the occupation. We now know that an occupation need not do these things. A man's job can be the discipline through which he enters a rich life.

Here, then, is a great function for the business leader of the future. He can not only provide us with material things; he can also provide us with the opportunities for the realization of our life through our jobs. In other words, he can make the processes of business so serve human beings that their life will be not only occupied and sustained, but kept happily growing.

Thus the business leader can dissolve the ancient dualism. Man is no longer to find his slavery in the job and his release in the temple. Job and temple can, in a sense, become one.

This, then, is the type of leader for whom we are looking. We have traces of him already. In the new determination to make of business a profession, we see him beginning to appear. In the new rigorousness of mind which makes of business a science, we also see him beginning to appear. But, above all, in the new sensitiveness to human values, in the new will to make of business not a destroying but an up-building function, we find him mainly in evidence. Our greatest problem is, how shall we bring such leadership more swiftly and effectively into being?

### QUESTIONS

1. What do we mean by business type of leader?
2. Does the leader embody the group's wishes, ideals, aspirations?
3. Is a new or engineer conception of leadership emerging in industry and in life in general?
4. What fundamental changes in individual organization will come with a more adequate conception of leadership?
5. How may the engineer type of leader be more effectively brought into being?

## CHAPTER IV

### LEADER AND EXPERT<sup>1</sup>

IN discussing leadership I shall mean by leadership that shown by foreman, head of a department, chief executive, or that found in many other places. For instance, in a committee it may not be the one holding the highest official position who is the leader. Leadership, however, is such a vast subject that I have limited myself to the changes in our ideas of leadership which have come about in two ways: through certain changes in some of our fundamental conceptions of human relations, and also through some of the more recent developments in management. Take the doctrine of "the consent of the governed." When that had greater sway over us than it has at present, the leader was the man who could persuade others to consent. Today, persuasion, as mere persuasion, is taking a less dignified place in human relations. Now that we are recognizing more fully the value of the individual, now that management is defining more exactly the function of each, many are coming to regard the leader as the man who can energize his group, who knows how to encourage initiative, how to draw from all what each has to give.

Moreover, we have now to lay somewhat less stress than formerly on this matter of the leader influencing his group, because we now think of the leader as also being influenced by his group. One of our chief justices said to me once that he considered this reciprocal relation the main characteristic of leadership. I think it is one of the best examples of what I have elsewhere called circular response. The currents go both ways. The channels should be kept open for this continuous flow to go on all the time. When it gets dammed up; effective

<sup>1</sup> M. P. Follett, Author, *Creative Experience* and *The New State*. From *Psychological Foundations of Management*, edited by Henry C. Metcalf: used by permission of the publishers, McGraw-Hill Book Co.



leadership stops. That is, we should think not only of what the leader does to the group, but also of what the group does to the leader. Any of you who have watched in joint committees of management and labor the influence which his constituents exert on the workers' representative, will understand the importance of this.

Again, our idea of power is changing. Men have long worshipped power; the power of arms, the power of divine right —of kings or priests —and then in the nineteenth century the power of majorities. Our conception of democracy is only today beginning to free itself from that taint. And the reason that it is freeing itself is that our idea of power is changing. Power is now beginning to be thought of by some as the combined capacities of a group. We get power through effective relations. This means that some people are beginning to conceive of the leader, not as the man in the group who is able to assert his individual will and get others to follow him, but as the one who knows how to relate these different wills so that they will have a driving force. He must know how to create a group power rather than to express a personal power. He must make the team. In a recent book on government this sentence occurs: "Men, who have once tasted power will not, without conflict, surrender it." But one of the most interesting things I find in recent business organization is that fewer officials than formerly —higher or lower— are "tasting power." Of course, there are plenty of men who love power, who love to use power, but the form of organization toward which business is tending today discourages this.

When I speak against the autocratic view of leadership, however, I am often met with the remark, "But men like to be led." And these people have good psychological backing for such a statement. One psychologist speaks of the "instinct of submission," another of "the psychic urge to submit to authority." But I do not agree with these psychologists; in fact, I do not quite know what all this means. If it means merely that we are all lazy, I certainly agree to that. But I do not see that our liking to be led constitutes any reason that

that desire should be encouraged. You may have a child who prefers that you make his decisions for him, but the essence of parenthood, as of teaching, is that children should be made to take responsibility as fast as they are able to do so. We have all to learn to take our share of responsibility or get out of the game. The leader should make us feel our responsibility, not take it from us. Thus he gets men whom it is worth while to lead.

But the time is fast disappearing when we need ask ourselves whether we believe in an "autocratic" or "democratic" leadership, for we are developing something that is neither, something that is better than either. Business men are quietly, without much talk of theory, working out a system of organization which is not democratic in our old understanding of the word, but something better than that. It is a system based neither on equality nor on arbitrary authority, but on functional unity. I am speaking, of course, only of the more progressively organized plants. In these it is impossible in many instances to tell whether Smith or Brown is boss, because in some things Smith is boss over Brown and in some things Brown is boss over Smith. But we have not as yet any wholly agreed-on technique for this relation. That is why I think business management far the most interesting human activity at present, because we are pioneers, because we are working out something new in human relationships, something that I believe goes to the very bottom of the whole question and is going to be of great value to the world.

Let me give an example of what I mean by one man or department not being "over" another. I have taken it from a rather amusing occurrence during the war, but all of you who are operating under some form of functional management could give me many instances of this same kind. In the beginning of the war, the quartermaster at Washington had fourteen geographical divisions under him, with a quartermaster over each. Then there was set up a commodity department with eleven divisions—food, fodder, leather, and so forth. Much confusion followed. The men at the head of the geographical divisions could not realize that the commodity department

could do what it had to do—in regard to setting policies and standards for price, quality, and the like—without interfering with them. And it was equally difficult, on the other hand, for the commodity department to realize that the quartermasters at the head of the geographical divisions could do their job without encroaching on the prerogatives of the commodity department.

The plan worked as badly as possible. At last the eleven heads of the commodity divisions and the fourteen heads of the geographical areas were brought together for discussion. At the end of four days nothing had been accomplished, and all seemed in despair that anything could be accomplished. At the next meeting, the chairman, the quartermaster at Washington, said something like this: "I have an agreeable surprise for you. You are probably thinking that we shall have to stay here four days more, but I am going to dismiss you in ten minutes. I herewith divest the fourteen and the eleven heads of every bit of authority and power over their territory and commodity except what they can peacefully enforce. When you bring me a dispute to settle, I shan't do what you will expect me to do, I shan't decide who is right and who is wrong. I shall decide who is pig-headed and I shall fire him."

I am told that this worked like a charm. This was forcible integration, and it was evidently accomplished by a man with some power of leadership, but the reason I am telling this story is that it illustrates one of my main theses in regard to business management, namely, that when differences are integrated instead of each side to a dispute claiming right of way, that is, when we have control of the situation. Perfect control is never got except through unity. This was what the quartermaster meant by saying he should fire the one that was pig-headed, namely, that they must learn how to integrate their differences, not run to him to find out who was "right." Seldom is any side right in that absolute sense. The reason this conference was in the end successful was that all were made to understand that neither commodity department nor geographical divisions had the chief direction; in some instances one was boss, in some instances the other.

I am speaking, you will remember, of recent changes in our ways of thinking which affect our conception of leadership. Another change in our ideas is that connected with checks and balances. "Checks and balances" was a fundamental part of our thinking a hundred years ago. Whenever we gave power to any official, we immediately provided some check upon it. Some of you told me two weeks ago that the theory of checks and balances still prevails in industry. While that is true, I do not think it is as universal as formerly. I was talking with a man connected with a bank, who was telling me something of the machinery of his organization, and when he got to the subject of loans he mentioned the different officials who had to pass on the larger loans and he said, "This is in order to get their combined judgment." I felt sure that a few years ago he would have said that several men passed on large loans in order to be a check on one another. Today, however, it seems to me that the tendency is not to check leadership but to encourage a multiple leadership. And please remember that in all this I am talking merely of tendencies, of certain trends, of occasional signs, which seem to me significant. It is a difficult moment to give a talk on leadership because we are in a transition stage in our thinking on that subject. I say I am talking merely of tendencies, but I could give you a number of instances where I think this is going on, plants where they are deliberately trying to develop leaders for the sake of combining their powers, not that they shall be a check on each other.

But at a meeting of the American Management Association, one of the speakers spoke of the three departments in the insurance business—selling, claims, and underwriting—and said that they were checks upon one another. As we see this same idea expressed again and again in many places, I am not asserting that we have got rid of it. I say merely that I see signs of a change, and I think that change will be still another step toward that unity which many of us think the chief essential to business success.

Very closely connected with this matter of checks and balances is the change in our attitude toward the veto. Few

executives use it as it was once used. An editorial in the *Taylor Bulletin* says: "The general manager's first reaction to red-ink balances was to cut expenses right and left—sometimes ruthlessly and unwisely. . . . Now he spends hours with department heads sharing with each the responsibility for policies and plans, and bringing them together in new cooperative effort."

Another idea that is changing is that the leader must be one who can make quick decisions. The leader today is often one who thinks out his decisions very slowly. Moreover, as Mr. Dennison says: "In the steady running of an organization, the frequent need of great speed of decision is a symptom of lack of sufficient advance thinking."

Again, the idea of leadership itself is changing. The leaders of the trade union movement were formerly men of aggressive personality, those who could put up the best fight with employers, those who could build up the best defense organization. That is not so true today as it was even a few years ago. I noticed that very much in England last summer. Aggressive as some of their leaders to be sure are, many, particularly some of the shop stewards, are gaiping their power in their own ranks through their constructive ability, through their ability to solve problems rather than merely to fight.

We find the different conceptions of leadership reflected often in definitions of management. In an article in a business magazine I saw it stated that management is the way you manage an unruly horse. Another writer says that the leader is he who can drive a team. Others say that managing is manipulating men. This is not the way I am defining management or leadership to you. Some years ago, about ten I think, I went to the president of an industrial concern and asked him if I could make some visits to his plant, telling him that my object was to make some studies in group action. You can imagine that I had not expressed myself very well when he replied: "You go ahead, you can have all the facilities you want in my place. You teach me how to manipulate groups and I'm in your debt." But that was not to be the object of

my study—to learn how to “manipulate” groups. And I do not think that this conception can last long now that everyone is studying what they call applied psychology, for if employers can learn how to manipulate employees, employees can learn how to manipulate employers, and where are we then?

A change in organization which is affecting our conception of leadership very fundamentally is the different attitude we now take toward the expert. The expert's information not only forms a large part of the executive's decision; it is becoming an integral part of the decision-making machinery. This comes from two causes chiefly. We have experts on more matters, and the expert is taking a different place in the organization. I say we have experts on more questions. For instance, we used to have experts for the mechanical side of industry; now we have experts for the personnel side also. If the chemist or the engineer told an executive a certain purely technical fact, the executive would never have replied, “My opinion about that is different.” All were aware that it was a question not of opinion but of technical fact. In regard to personnel questions, however, it was thought to be perfectly legitimate for everyone to have his own opinion, even on purely technical matters of measurable fact. That is changing today as we are gaining a larger knowledge of the sciences dealing with human beings, as we are becoming more willing to accept such knowledge and are applying it more widely.

Then the fact that large businesses have their own experts inside the plant makes a different relation between expert and executive. It is giving us, for one thing, a different conception of advice. There is a change going on in this direction which will probably eventually give us a new vocabulary. We used to think that the various heads gave orders, that the different experts gave advice, but a new relation has entered in of recent years; there is something emerging which is neither orders nor advice. For instance, a staff man may be responsible for seeing that machines are taken care of, but the line man takes care of them. Now suppose the staff man tells the line man that a certain machine needs attention. Is that an order? No, because

the line man does not take orders from this man. Is it advice? No, because one of the characteristics of advice is that it can be rejected, and this cannot be rejected without taking it higher up. To be sure, we use the word requisition, but that has not yet been defined with sufficient clearness.

Again, I have often heard the question asked whether the employment manager should give advice to the line executives in regard to hiring, transfers, dismissals, or whether he should have final authority. What is being actually worked out is something different from either. Most of us do not believe in the employment manager's having final authority. Yet I cannot say, as so many do, that he is merely to give advice, for his opinions are being given more weight than mere advice in the ordinary acceptance of that word.

The ordinary use of the word "advice" involves a take-it-or-leave-it attitude. If I should ask one of you after our conference tonight to give me your advice about something in my life, we should both of us have a take-it-or-leave-it attitude about what you might say. That is, I should not feel any obligation to take your advice and you would not expect me to. It would be advice from outside, advice unrelated to the currents of my life. But those who give advice in business today are usually such an integral part of the organization that one cannot have the take-it-or-leave-it attitude toward their suggestions. It seems to me that our present methods of management have given us new interrelations of duties and responsibilities which have not yet found a place in our vocabulary or in our philosophy of management. What we are trying to do is to find a method by which advice does not coerce and yet enters integrally into the situation.

I read recently in a book on management: "The research department makes suggestions to the manufacturing department. The head of the manufacturing department has the right to veto these suggestions." Well, technically, he has and practically he frequently does, and yet the word "veto" does not accurately express the relation which is being worked out between executive and expert.

Moreover, the separation between advice and decision cannot be a rigid one, since pure information is seldom given by expert to executive. Most experts both interpret facts and relate facts, and decisions are largely determined by the interpretation of facts and the way in which they are related. While information comes to the expert as fact, it usually leaves him as opinion. The head of a business said to me: "I don't know that we can get any pure information except from reports like Babson's, and when you get opinions, that makes the man who gives them to a certain extent a part of management."

At the same time, it is true that most of us in this country want to keep distinct the executive function and the function of the specialist. I know a town in Massachusetts where they put an engineer on the water board, and one of the members of the board said to me: "Everything goes wrong; he can think of nothing but engineering problems."

On the other hand, in Germany, in the German municipal system, the experts, the specialists in the various branches of administration, have the authority. They can go ahead and do things. The elected council may criticize, may demand explanation, may in the last resort reject, but it is essentially the business of the specialists to say what ought to be done and how it should be done.

As the relation between specialist and executive is one which we are at present trying to work out, we cannot yet dogmatize on the subject, but I think we may say that while the executive should give every possible value to the information of the specialist, *no executive should abdicate thinking on any subject because of the expert*. The expert's information or opinion should not be allowed automatically to become a decision. On the other hand, full recognition should be given to the part the expert plays in decision-making. One of the speakers at the American Management Association last week said: "The executive may get all the help and advice he wishes, but the responsibility for a decision rests with him." While this is theoretically true, yet in those cases where the executive gives way to the specialist (you must have seen this often in committees, as I



have), both executive and specialist feel that the specialist has a large share in the responsibility. (I am not, of course, speaking of legal accountability.) I think our problem should be stated in different terms: it is to find a way by which the specialist's kind of knowledge and the executive's kind of knowledge can be joined. I have seen it stated that the specialist has the knowledge and the executive the wisdom, but I cannot agree to that. They have different kinds of knowledge and experience.

I have often spoken to you of the advantage of integration, in settling disputes, over any other method. Some of my hearers have thought that too Utopian a method to be worth trying. I should like to point out here that when there is a difference of opinion with an expert we take that method without realizing that we are doing so. Let me try to make this clear by a very simple illustration. An electrician comes to wire my house for electric lighting. I say that I want it done in a certain way. He says that there are mechanical difficulties about doing it in that way. I suggest another way. He says that the laws of the state in regard to fire safeguards do not permit that way. Then he tells me how he thinks it should be done. Do I accept his suggestions? No, because I have a very decided objection on account of aesthetic reasons or reasons of convenience. We continue our discussion until we find a way which meets the mechanical difficulties and the laws of the state and at the same time satisfies me.

Now I believe the reason that we integrate so often with the expert without knowing that we are doing such a difficult thing as I am told integration is, is that we do not usually think of our relation with the expert as that of a fight. We expect to be able to unite a difference of opinion with the expert. We have gone to him for that purpose. We recognize that he has one kind of knowledge and we another. This kind of integration we see often in committees in a plant or business. The president or vice-president is apt neither to give in to some plan presented by a specialist nor to veto it. They usually integrate their different kinds of knowledge, and this is because

president and specialist seldom meet to fight. They meet *in order to integrate* and therefore they do it.

In considering the relation of executive and expert, it has occurred to me that perhaps we ought to make a distinction between leadership and decision-making. It seems to me that the leader has not always the largest share in decision-making, and yet he may not thereby be any the less the leader. It seems as if decisions in the better organized and more progressive industries tend to be determined largely by the people with the special knowledge required for the special problem. If the psychologist, the employment manager, the general manager, and the president meet to decide on some plan the psychologist may have for tests or training, the decision is likely to be made largely in accordance with the psychologist's suggestions because he has the special knowledge on which the plan they are considering is based. Or in a committee of department heads and president, a plan of the merchandising manager may be accepted. This plan may be modified or changed by suggestions from the others, yet the decision made may be due chiefly to the merchandising manager. And yet I do not know that that necessarily makes him the leader of that group. The leader in both these instances may have been the chairman who brought them to a mutual understanding, who showed them how to make the necessary reciprocal adjustments, who brought out unexpected strength and knowledge from the different members of the committee. Or it may have been the president who, while he had not the special knowledge of the psychologist or the merchandising manager, had more knowledge of the plant in its entirety, its policies and plans, and could fit all the special knowledge into a larger view of the whole. Or it may have been some other member of the committee who had preeminently this particular ability. I think we shall soon think of the leader as one who can organize the experience of the group, make it all available and most effectively available, and thus get the full power of the group. It is by *organizing* experience that we transform experience into power. And that is what experience is for, to be made into power.

You will have gathered by this time that my key word of organization is relatedness. Unrelated experience means partly wasted experience. For instance, society needs the experience of the consumers in solving some of our industrial problems, but we must find some way of joining it to the experience of producers. At present, producers and consumers are in separate associations. The organization of experience is the problem of industrial, of political, of our everyday life. A woman once said to me, a woman very well known in this city, 'The trouble with me is that I don't organize my experience.' What she meant obviously was that, having a very full life, connected with very important undertakings, she had a great deal of experience, but she did not relate these different experiences in a way to get the most out of them, she did not discriminate between their different values, subordinate some to others, see what they meant all together. This is the same with a group. Just exactly as my own life is more successful as I learn how to organize my experience, so will the group be more successful as it learns how to do this. And the organization of experience is the task of the leader in any business or industry.

This view of leadership is not lessening the power of the leader; it is vastly increasing it. Or perhaps I should say that a different kind of leader is developing. This is very markedly shown in the trade unions which are now employing statisticians, accountants, expert fact-finders of all kinds. The leader in these trade unions is now tending to be one who can use these facts, who can put them all together and see what they amount to. We see this everywhere. The higher railroad officials may not understand railroad accounting, design of rolling stock, and assignment of rates as well as their expert assistants, but they know how to use this knowledge, how to relate it, how to make a total situation, an integrative unity.

In considering those changes in our thinking which are influencing our idea of leadership, we find there has been one very marked change recently. Only a short time ago people were telling us that leadership was an "intangible capacity," also that if you were not born with this capacity, you could

never acquire it. We are coming to think now that executive leadership can in part be learned. This is the point about leadership I like most to emphasize, for unless this is true, there is not much hope for men in subordinate positions being able to rise, and also, if it were not possible for men to learn to be leaders, our large, complex businesses would not have much chance of success, for they require able leadership in many places, not merely in the president's chair.

An article in the *Boston Herald* gave the results of several interviews with business women aimed at finding out what these women considered the essentials of business success. One of the questions asked in the interviews was whether they thought hard work necessary to success, and the way the question was put seemed to imply that perhaps a compelling personality was all that was necessary. Such a question must have come out of the old notion of leadership. I most certainly believe that many personal qualities enter into leadership—tenacity, steadfastness of purpose, power of forceful expression, depth of conviction, tactfulness, steadiness in stormy periods, and so on and so on—and yet we must be careful of that old superstition about leadership which said, "Leaders are born, not made."

When I say that I believe that leadership can be studied, I mean that it is part of the study of organization and management. The leader must learn his place in the organization, his relation to all the other parts. An organization engineer told me that he was hired for a three months' job in a business, and when he left, the head said to him: "Well, you've done this much for me, at any rate. I used to raise hell with everyone and now I know who to raise hell with."

In the light, then, of what we have thus far considered, what are the main functions of the chief executive? If functional unity is the chief task of management, if the organization chart provides primarily for this, still it is to the chief executive more than to any other one person that we look to make the organization chart a going affair. While he may have a planning department, an organizing secretary, an economic adviser,

a psychologist, experts of many kinds, and his department heads, too, are of course specialists, and while more and more we are expecting coordination to take place below the president's office, while we do not think of the president as holding together an aggregate of uncoordinated authorities, still there is much he can do. Many a department head has a tendency to play a lone hand if not prevented. Again, he can often see that departmental or divisional policies do not get crystallized too quickly before it is discovered whether they are in accord with one another or with general policy.\* This is difficult if the plant is large, but the form of organization should be such as to keep this in view. Moreover, there are many matters which come to the president because of dissensions among executives. He should know how to integrate such differences. Also he should know how to give actual existence and official status to incipient integration. But while one of the jobs of the chief executive is to resolve differences that it has not been possible to integrate anywhere down the line, yet he should never be thought of as an umpire or arbitrator. If purchasing agent and production manager bring him different conclusions, his task is not to decide *between* them, but to try to unite the three different kinds of experience involved—that of purchasing agent and production manager *and his own*.

One of your New York writers on management would not agree with me on this point. He says explicitly that the chief executive should act as arbitrator, that if he did not, the heads of departments would settle their disputes by bargaining with each other. I agree with this writer that the chief executive should try to prevent this, but I do not think the method should be that of arbitration in its stricter sense of adjudication. He should try to find a solution which will include all, or as many as possible, of the different values involved in the varying opinions. Moreover, we should never forget that the chief executive does not judge from outside. He has to weld together the functions of critic, judge, and active participator. In other words, if we say that he *passes on* a situation, we must remember that he is *in* that situation. We should be

careful not to use language which puts him outside that process of management of which he is an integral part.

The chief executive's main job may be coordination, but you cannot integrate the parts of your business successfully unless you have your purpose clearly defined. The chief executive should be able to define the purpose of the plant at any one minute, or rather, the whole complex of purposes. He should see the relation of the immediate purpose to the larger purpose. He should see the relation of every suggestion, of every separate plan, to the general purpose of the company. He should, as he considers each problem brought to him, scrutinize the proposed solution in order to see if it will promote the major purposes of the company. Moreover, he should always be able to summarize the purposes of the company and say how far the company is reaching them and how far not. The president's report should summarize present achievements and should always include what is still unachieved, what all are to work for in the coming year. It should encourage to further endeavor and it should never be vague as to what that endeavor is to be directed toward. It should not only inspire to do, but to do certain things. Above all, he should make his coworkers see that it is not *his* purpose which is to be achieved, but a common purpose, born of the desires and the activities of the group. The best leader does not ask people to serve him, but the common end. The best leader has not followers, but men and women working with him. When we find that the leader does less than order and the expert more than advise, subordinates, both executives and workers, will respond differently to leadership. We want to arouse not the attitudes of obedience, but the attitudes of cooperation, and we cannot do that effectively unless we are working for a common purpose understood and defined as such.

I am speaking at this point of the chief executive, but everything I am saying applies to all leaders. And, of course, subexecutives should be chosen with that idea primarily in mind, namely, whether they have the power of leadership, and one of the tests of that should be whether they have the

power of making purposes articulate. I am convinced, and I cannot tell you how strongly I feel this, that one could get much larger output from the rank and file throughout a factory if they had some idea of what they were working for, of what it was all about. If you think that the foreman is not the man that you could expect to be able to do this, and I myself should not expect it of him, then there should be someone in the department who could connect the work of the girls or the men with the major purposes of the plant or the industry. They need not feel, as most of them do now, that they are mere bits in a huge machine. Their individual worth, their own wills and aims, could, I am sure, be made to find a place in the purposes of the industry in which they are working. When employers see the relation between this and output, then something will be done about it.

I have not spoken of the leader's part in the formation of purpose and in the improvement of purpose, for the same reason that I have not allowed the word "policy" to come into this paper. The consideration of these subjects, involving the relation of the chief executive to the directors, would take us too far afield for one evening's talk.

If we find that the task of the chief executive is to articulate the purpose which guides the integrated unity which his business aims to be, if it is his task to understand everyone's place in that purpose and that unity, there is another task which no leader ever forgets without disastrous consequences, namely, that each unit has to be fitted into a whole which is constantly changing, that is, into an evolving whole. In business we are always passing from one significant moment to another significant moment, and the leader's task is preeminently to understand the *moment of passing*. This is why the leader's task is so difficult, why it requires great qualities—the most delicate and sensitive perceptions, imagination and insight, and at the same time courage and faith. A business man, the president of a large industry, once told me that I would not make a good business woman because I had not enough faith. He did not, of course, mean religious faith, he meant faith in my own

purposes, that I wanted to safeguard myself too much, that I would trust only the present which I could see, not the future which I could not see. This was in regard to some committee work we were doing together. I thought then he was wrong, not about me necessarily, but about the course he wanted to take in the matter under discussion, but I have come to think he was right in the matter, as I have come to understand the fundamental principles underlying what he was saying.

This insight into, and faith in, the future, we usually call in business "anticipation." In defining anticipation three weeks ago, I said that it meant far more than *meeting* the next situation; that it meant *making* the next situation. So the leader should be able to do more than predict; he should be able to control. The highest grade decision does not have to do merely with the situation with which it is directly concerned. It is always the sign of the second-rate man when the decision merely meets the present situation. It is the left-over in a decision which gives it its greatest value. It is the carry-over in the decision which helps develop the situation in the way we wish it to be developed. The ablest administrators do not merely draw logical conclusions from the array of facts of the past which their expert assistants bring to them; they have a vision of the future. To be sure, business estimates are always, or should be, based on the probable future conditions. Sales policy, for instance, is guided not only by past sales but by probable future sales. But the leader must see *all* the forward trends and unite them. Business is always developing. Decisions have to anticipate the development. You remember how Alice in Wonderland had to run as fast as she could to stand still. That is a commonplace to every business man. And it is up to the president to see that his executives are running as fast as they can. Not, you understand, working as hard as they can—that is taken for granted—but anticipating as far as they can.

I told you in one of my talks that the English were calling the phrase "in the long run" an American expression. We



should try to live up to this opinion of us, and it is to the chief executive especially that we have a right to look for our long views. Some years ago the heads of a number of firms in Boston met to consider all-day closing on Saturdays in July and August. At that time they could not agree about it, but a woman at the head of a string of restaurants in Boston described the meeting to me, and she said she could have told beforehand who would be in favor of the proposition and who against. Those in favor would be, and were, she said, those who appreciate the value of the long view, who understand that whatever is good for the community is good for your business in the long run. I must add that I think she showed herself particularly able to do this when she voted in favor of all-day closing on Saturdays, for if you cannot buy a dress or a carpet on Saturday you will simply buy it on Monday and the merchants will lose nothing, but you cannot eat two luncheons on Monday! Therefore she might have thought that she stood to lose by this project if she had not been convinced of the soundness of the principle that what is good for the community is good for business "in the long run."

I am not advocating Saturday closing. I am merely saying that I believe that a business will not long be successful if it runs counter to the good of the community. I believe that the good of the community and the good of one's business are synonymous, and therefore the leader should try to understand what is the good of the community.

It is preeminently to the chief executive, then, that we are to look for long views. We look to him to open up new paths, new opportunities for the development of individuals, of groups, of the whole plant. He should see not only larger situations, but situations of greater value to all concerned. This means a power of fine discrimination. "Growing with the business" has subtler meanings than we usually realize.

It is obvious that the job of the chief executive is not easier because he has now so many "facilitating services," his planning and coordinating departments, his many experts of many kinds. It is, indeed, much harder. It requires a higher order

of intelligence and more training to be the head of these intricate, highly-organized units. Moreover, we have been speaking only of the leader's relation to the internal affairs of his group. We must remember that a group has always two aspects—its internal relations and its external relations. As the President of the United States is concerned not only with the affairs of the nation, but has also to consider the relation of the United States to other nations, so it is with the chief executive. As he is responsible for those internal adjustments which make for the effective operation of his plant, so is he responsible for relating these to all the outside forces which are affecting the operation of the industry. In my first talk to you this month, I said that we get control through unity. The great leader is he who so relates all the complex outer forces and all the complex inner forces that they work together effectively.

I have given coordination, definition of purpose, and anticipation as three of the functions of the chief executive, and I have said these are the functions of the leader wherever found, whether in the president's chair or down the line. The leader may even not be the head of a department or division. In a committee, the man tends to lead who can see all round a situation, who sees it as related to certain purposes and policies, who sees it evolving into the next situation, who understands how to pass from one situation to another. I want to emphasize this point, that leadership appears in many places, because what I find in regard to leadership when I go into plants is so very different from what I usually find in speeches or articles or books on the subject. Forgetting the actual practice, which most of these speakers and writers must be more or less familiar with, they hark back to some preconceived idea of leadership. For some weeks I was allowed to sit in with the coordinating committee of a plant. One of the most interesting things about that committee was the way in which the leadership was sometimes with one person and sometimes with another. Sometimes, I think I may say usually, it was with the chairman, but sometimes it was with a specialist, and sometimes, rather often, it was with a certain man in that committee who seemed to

have an unusual power of grasping the situation as a whole, and also that extraordinary gift of identifying the conditions which would lead them most effectively from that situation to the next. The leader of the highest order understands the evolving present, the present that is at the very moment in process of change.

I am especially interested in the subject of leadership in connection with subexecutives, for I believe that there is more capacity for leadership among underexecutives than is utilized by our present forms of organization. I believe that that should be one of the aims in further developments in organization, namely, to provide opportunities for utilizing more fully the capacities of underexecutives, rather than that they should wait until they get into some higher position before they can use their capacities a hundred per cent.

I want to summarize this talk by taking the principles which I gave you three weeks ago, and which I consider the fundamental principles of organization, namely, evoking, interacting, integrating, and emerging, and ask what part the leader has in all these. Under evoking, we shall all agree that it is one of the leader's chief duties to draw out from each his fullest possibilities. The foreman should feel responsible for the education and training of those under him, the heads of departments should feel the same, and so all along up the line to the chief executive. In fact, several men last week at a meeting of the American Management Association voiced their conviction that leader and teacher are synonymous terms. If we are coming to think that the leader is not the boss but the educator, that seems to me an indication that business thinking is taking a long step forward. Our old idea of leadership was that of being able to impress one's self upon others. But to persuade men to follow you and to train men to work with you are conceptions of leadership as far apart as the poles. The leader today of the best type does not want men who are subservient to him, those who render him a passive obedience. He is trying to develop men exactly the opposite of this, men themselves with mastery, and such men will give his own leadership worth and power.

I say that it is the part of the leader to educate and train. He must know how to do this. He must himself understand, or get others who understand, the scientific methods which have lately been applied to production, to marketing, to office management, to finance, and, perhaps more important than all, the scientific methods which psychology is giving us for the understanding and controlling of human relationships.

Our second and third principles were interacting and integrating. The leader is more responsible than anyone else for that integrative unity which is the aim of organization. As our business undertakings are not only becoming vast in size but also more complex in character, the success of these undertakings depends on their parts being so skilfully related one to another that they function effectively as a whole. The leader should be leader of a coherent group of men who are finding their material welfare, their most effective expression, their spiritual satisfaction, through their relations to one another, through the functioning of the group to which they belong. If the old idea of leader was the man with compelling personality, the idea today is the man who is the expression of a harmonious and effective unity which he has helped to form and which he is able to make a going affair. We no longer think that the best leader is the greatest hustler or the most persuasive orator or even the best trader. The great leader is he who is able to integrate the experience of all and use it for a common purpose. All the ramifications of organization are the ways he does this; they are not set up to provide a machinery of following.

The fourth fundamental principle of organization which I gave you was what I called the *emerging*, because that is the expression so much used today to denote the evolving, the creating of new values, the forward movement. It is the word with most significance in modern literature. Scientists are using it to describe evolution—emergent evolution—and the business man is as interested as the scientist in the *emerging*. As a certain psychologist speaks of those moments in creating when evolution turns a corner, as Huxley spoke of the mystery moments in evolution, so the leader in business is one who

understands the creative moment in the progress of business, who sees one situation melting into another and has learned the mastery of *that* moment.

To sum up my summary: the leader releases energy, unites energies, and all with the object not only of carrying out a purpose, but of creating further and larger purposes. And I do not mean here by larger purposes mergers or more branches; I speak of larger in the qualitative rather than the quantitative sense. I mean purposes which will include more of those fundamental values for which most of us agree we are really living.

I hope you do not think that I am taking a rose-colored view of business. Indeed I am not. I am perfectly aware that in most plants the attitude is, "I'm the boss, you do what I say." But aware as I am of that, at the same time I see signs of something else, and it is on these signs that I am placing my hopes.

If you think I have underestimated the personal side of leadership, let me point out that I have spoken only against that conception which emphasizes the dominating, the masterful man. There is much in what is called "the personal view of leadership" with which I heartily agree, but I began by saying that I was going to limit myself tonight to certain changes in our ideas of leadership which have come about through recent changes in organization and management. So please remember that I do not undervalue the personal side of leadership; indeed, there is much in this paper, by implication, on that side. But since business management today depends so largely on organized control, what I have tried to do this evening particularly is to find the leader's part in that intricate system of human relationships which business has now become. Our generation is, I think, contributing something to the history of thought in this matter of human relations, and it seems to me that business men have the opportunity, and that some are indeed using it, to share largely in that contribution. Academic people may hope that what they are teaching will be followed by their students, but business men

can actually themselves put into practice certain fundamental principles. They may be making useful products, in addition to that they may be helping the individuals in their employ to further development, but even beyond all these things, by helping in solving the problems of organization, they are helping to solve the problems of human relations, and that is certainly the greatest task man has been given on this planet.

## CHAPTER V

### THREE DISTINCTIONS IN THE STUDY OF LEADERS<sup>1</sup>

So much is written today about personality traits in both popular and scientific literature, that the discussion should perhaps be put into its historical setting before we may adequately study so complex a phenomenon as leadership. Historical perspective is usually of value in studying problems of any sort. It is important to know who first thought about it, how he attacked it, what his fundamental generalizations were, and what has been done since. The study of leadership may perhaps gain by following this usual research procedure.

A consciousness of differences in individuals has very likely been part of the race's store of knowledge for hundreds of centuries, but it is interesting to trace the understanding of these differences from gross physical traits to the finer psychological distinctions about which the modern man thinks every hour. Until the time of the Greek philosophers no one paid much attention to individual differences except differences in bulk. Men differed because they were taller or shorter, or fatter or thinner. With the advent of the philosophical frame of mind, other distinctions began to be made. These grew into the spiritual and theological distinctions of the Middle Ages. Men in those days were considered to differ more significantly in such traits as faith, will, love of God, grace, piety, holiness, and so on. The writings of theological philosophers, commencing with St. Augustine, directed the thinking of most people down to the beginning of the nineteenth century, and it was only with the establishment of experimental psychological laboratories that the finer individual traits were pointed out and studied.

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At the same time that chemists and physicists began to observe and chart differences in matter, there grew up a group of men scientifically interested in differences in men. Most of these students were physiologists and anatomists, but a few gave most of their thought to differences in psychic traits. These men got their incentive almost entirely by accident. In the early part of the nineteenth century an astronomer lost his job in the observatory at Greenwich, England, and thereupon began the carefully organized study of individual differences. The astronomers at Greenwich were mapping out the heavens, and in order to make their observations correctly and to understand planetary movements for predictive purposes, it became necessary for observers to record their observations to the fraction of a second. When a star crossed a hair's line on the lens of the telescope, the observer pressed a hand key which recorded the time. The operation was simple, but it was discovered that one of the observers made considerably different responses from his fellows. He took longer than the others to press his key. The chief observer, considering this to be a serious deficiency in his equipment, discharged him. His leaving, however, led to the observation of other and smaller differences between the other remaining observers, and thereupon began the scientific study of individual differences which came to be called "the personal equation," a phrase still popular.

The beginning was small. The astronomers were not equipped to take over the problem in all its ramifications. Forty years later a German psychologist, named Wundt, began to work out the implications of this discovery by the astronomers, and thereupon began the study of individual differences and personal equations which has led in turn to the development of modern experimental psychology. Wundt and his associates were interested almost entirely in phenomena like these: the sensitivity range and the nature of the sense organs, the span of attention, the perception of space, the reaction time of sensory and motor equipment, and border-line problems in physics and physiology, all very important and valuable, but rather too abstract to interest the ordinary layman. Later on came



a Frenchman by the name of Binet, who took the study of individual differences into the realm of intelligence, and from Binet's work has come the very important developments of the past twenty years in intelligence testing.

But as important as intelligence testing has become, it has long been known that intelligence is but a small factor in human behavior. Philosophers and theologians have always distinguished between reason and feeling, and feeling has generally been considered the more important of the two. Certainly almost everyone has been willing to agree with Rousseau that cold reason unassisted by feeling has never produced anything of importance. This agreement has developed into the conviction which has recently led to an attempt on the part of a group of psychologists to study and, if possible, to measure other personality traits besides intelligence. The task is obviously difficult. Measuring sticks are hard to find. Standard performances of emotions, sentiments, and impulsive drives are difficult to discover, and there are many reasons for supposing that these phenomena have no standard performances. Yet despite the barriers in the way of the investigations of traits other than intelligence, attempts have been made to measure dominance, aggressiveness, kindness, honesty, speed of decision, and innumerable other factors in human behavior. This is one approach to measurement and understanding. There is another which some have thought might produce results of both practical and theoretical importance. The proposal is that instead of studying individual isolated traits, one should study such a complex behavior phenomenon as leadership.

Leadership, obviously, is not a simple trait, but rather a complex of many traits fashioned together as a unity. An adequate appraisal of leadership would naturally reduce this complex to its individual units, and any study of leadership to be of value should produce a list of the traits which go together to make the leader. If one could produce an authentic list of such leadership traits, immediate and important theoretical and practical advances might be made in our understanding and control of human behavior. If it could be said,

for example, that every individual who has aspirations for leadership should possess half a dozen particular traits which we might, for convenience and for want of better designations, call traits M, N, O, P, Q, and R, then it would be possible in our educational institutions to develop these traits in apt students, and it would be possible to select mayors and generals, bishops and college presidents by measuring candidates for the necessary leadership traits. With such a simplification of knowledge of human behavior, control of our institutions and advance of our civilization would run along smoothly and with considerable speed. The immediate question to be answered, of course, concerns itself with whether or not any such series of traits may be isolated with certainty and precision. It is the purpose of this chapter to discuss the problem and to suggest a conclusion thereto. Three distinctions, however, need to be made to put the problem into its proper setting. These, it is proposed, will make it possible to view leadership and leadership traits from a different, if not a better, point of vantage.

**The First Distinction.** The first of these distinctions is very simple. It is an arbitrary classification of so-called leaders into two groups: one group of actual and unquestionable leaders, the other of individuals frequently called leaders but who for reasons to be named are not. The findings which are being presented tonight come from two carefully controlled laboratory experiments, the first of which proved valueless because this distinction had not been made, and the second of which produced significant results only because it stayed within the limits set up upon making the distinction clear.

Undergraduate students at the University of Chicago acted as subjects in the first experiment. Arbitrarily I chose twenty-five students who held positions of leadership in the undergraduate life of the University. The captain of football, the editor of the student paper, the president of the Undergraduate Council, the leader of the social life of the senior class, and a score or more of others holding similar important positions were included in the study. I soon discovered, however, that a great many of these individuals were in no sense leaders even

though they held leadership positions. When I talked over my list of subjects with other students and faculty members, no one would concede at least fifteen of my twenty-five to be leaders despite their positions. For one reason or another these fifteen had climbed to the seats of the campus mighty, but despite their exalted stations, no one would concede them to be really leaders. This widespread conviction naturally invalidated the experimentation already completed, and so it became necessary to toss aside four months' work and to think a way out of the confusion.

In the discussion which followed this abrupt halt, the first distinction which I am presenting developed as a fundamental concept in the study of leadership—at least in this study of leadership. This fundamental concept is the distinction between leaders and those who hold leadership positions but who are not leaders. I have dubbed this second group “headmen,” and have referred to the phenomenon as “headship” rather than leadership. I think the distinction will be quite clear in the minds of most everybody. Examples of headmen are numerous. Every organization whether industrial, educational, religious, or political has its large share of headmen: men who hold leadership positions but who are not really leaders. Now in the study of leadership it has seemed to me that one must begin by separating leaders from headmen, and proceed with his investigations only after the distinction has been made clear-cut. To make such a clear-cut division, however, requires definitions. Leaders cannot be called leaders merely because of an arbitrary hunch. One must have some measuring stick, some standard of judgment. In the experimentation with undergraduate leaders, army leaders, and criminal leaders reported upon tonight, these following definitions, therefore, have been used to distinguish leaders from headmen—

*A leader is an individual who is moving in a particular direction and who succeeds in inducing others to follow after him.*

*A headman is an individual who, because of ability or prestige, has attained to a position of headship.*

A leader, then, is a person who is going somewhere, who has a motive, who has a program. A headman is an individual who has attained to the head of a group but who has no outstanding individual motive or program and who is, therefore, not a leader.

Now this is an arbitrary distinction, but it is a distinction which seems to me to be fundamentally important in an understanding of what leaders are and why. One would call Napoleon, for example, a leader; but one would call Louis XVI a headman. Perhaps a better distinction is, that between Lincoln and Buchanan, his predecessor. Lincoln had a program in relation to the unity of the states in a federal government. Buchanan had no program except it be that of avoiding to meet the issue. Roosevelt, of course, was a leader, but there are a great many people who cannot discover in what direction, if any, Calvin Coolidge is moving; and so one might call Coolidge a headman rather than a leader. Similarly one would call Wilson a leader, but scarcely Warren Harding. These are examples from high places, but one need go no further than his own organization, whether it be industrial or educational, to find numerous examples of real leaders and of others who hold positions which some consider actual or potential positions of leadership, but which are in reality only positions of headship.

I think it should be said by way of qualification that even with the definitions that have been presented, a completely clean-cut distinction between leaders and headmen cannot always be made. Occasionally it is possible to pick out an individual like Roosevelt and agree to the fact of his leadership; and on the other hand, it is possible to pick out presidents like Buchanan and Harrison and agree that they exemplified headship rather than leadership. Yet the presidency of the United States has had incumbents who have spread out in various relationships to the two extremes of leadership and headship, and one can merely judge for himself whether any particular president has been more the leader or more the headman until time and history review presidential careers and make the final decision.

As in the presidency of the United States, so also in other leadership situations. Some headmen are not leaders at all, and everybody agrees that they are not. Others are leaders after a fashion and to a degree. Still others are admittedly and decidedly leaders, and of those who are leaders there is a variation in the quality of the leadership. The distinction is comparative, and as in all comparisons only the extremes stand out prominently. In general, however, we may say that the leader is an individual who is going somewhere and who has succeeded in persuading others to follow after him. The headman, on the other hand, is an individual who because of either ability, prestige, or a combination of both has attained to headship without being a leader.

**The Second Distinction.** With this first distinction made we may go back to a discussion of traits: traits of leaders and traits of headmen. For the present, no distinction need be made between the traits of either group. We can come to that later. The significant thing now is to make a distinction between individual traits and situational requirements. One needs to keep clearly in mind the difference between the traits that an individual possesses and the traits that a situation demands. This distinction is made in what industrial personnel people have come to call job specifications, and it is well exemplified in employment work where individuals are hired because they possess the traits which a particular job requires. Likewise it is made in selecting political candidates, where individual traits always must match the particular requirements of the political situation. For example, no one can be President of the United States unless he has been born in the United States and is over thirty-five years of age. No matter what other abilities and qualifications one may possess, he cannot be considered for the presidency of the United States unless he possesses these two traits at least. Similarly, one cannot be a cardinal in the Roman Catholic Church unless he is a Roman Catholic; and one cannot become a shriner in the Masonic Order unless he is a Master Mason.

With this distinction made between individual and situational

emphases on traits, it becomes quite obvious that in discussing leadership or headship two parallel studies must be made—the study of individual traits and the study of situations. Every situation stresses some traits more than others, and there can be little understanding of individual traits and their relationship to headship or to leadership unless these situational stresses are known and understood. One could take the political situation in New York State, for example, and survey its situational requirements; and to parallel such a survey one could study individuals with political aspirations and roughly predict their chances of success. This amounts to saying that in the political situation in New York State, and in every other situation, there are some traits which have more significance than others. For convenience I have named these “prestige traits” with the suggestion that the people possessing them will attain to headship, and perhaps to leadership, more readily than individuals who do not possess them.

As an illustration may I survey a situation of which I know more perhaps than of any other? That is the situation among undergraduates in a college. Only once have I heard, for example, of a non-fraternity man being elected to a class presidency. Among those fraternity men who are elected, moreover, athletes are more numerous than non-athletes. At Harvard a few years ago an enterprising undergraduate made a study of the campus political situation, and discovered that almost all the elective positions in Harvard undergraduate life are held by graduates of a few eastern prep schools.

Here we have, then, three prestige factors in the undergraduate situation: fraternity membership, athletic prowess, and prep school background. Now, of course, there are a great many other prestige traits besides these, and a study is now under way to spot them in adequate detail. Results of such a study will very likely differ from college to college, but in general we may say that there are half a dozen or more prestige factors of significance in the undergraduate situation. I doubt very much whether anyone would disagree that there are different prestige traits in other situations, in fact in any organized

situation that one can think of. Certainly gangsters set up their standards of value which differ from those of clergymen; and similarly army officers in their military situation consider important decidedly different prestige traits from college professors. With these contrasts clearly drawn, it becomes possible to see the distinction between individual traits studied in isolation, and the same traits studied in a particular situation and for convenience called "situational traits." Similarly, it can be agreed that different situations value the same traits differently, and that a trait highly valued in one situation may be of no importance in another. We have, then, individual and situational emphases when discussing traits; and when we talk about the situational emphasis, we must remember that some may be called "prestige traits" because of being more valued than others *in that situation*. The importance of this distinction is clear when one considers that *leaders are effective and headmen attain to their headship only when the traits they possess are those demanded by the situation*.

**The Third Distinction.** Before going on to discuss the third distinction we should, perhaps, stop a moment to review the two that have already been made. We have taken the large group of so-called leaders, and we have separated them into two groups: one group of leaders and one of headmen. Then we have taken both headmen and leaders and have suggested the importance of studying leadership and headship situations as well as leaders and headmen. We have, then, two general studies: a study of headmen and headship situations, and a study of leaders and leadership situations. This paper tonight must from now on be concerned only with the second of these studies—with leaders and leadership situations, and the importance and desirability of data on headmen and headship situations can be noted only in passing. The third distinction comes back to the problem of leadership traits. It is in the form of a question. Is there any difference between leadership in a *particular* situation and the ability to be a leader in *several* or perhaps even in *any* situation? To phrase it a little differently: are there any traits which are common to all leaders and which

may be called general traits of leadership as distinguished from the situational traits about which we have just been talking? The second lecturer in this series presented and commented upon a list of leadership traits. The question is whether or not the list he presented applies to all leaders in all situations, or only to political leaders about whom he had most to say. Similarly, when magazine writers give lists of traits possessed by business leaders, the question arises as to whether the traits they suggest are traits of business leaders only, or whether they are possessed by all leaders in all situations. As suggested at the beginning, it is significant to discover whether or not there are any general leadership traits which all leaders possess, and which educators may develop in the more alert students in our schools and colleges.

Obviously, there is no way of determining whether such traits exist except by experimentation. One might talk interminably and present evidence of all sorts, but the question will not be solved until carefully conducted research presents factual data and its statistical evaluation. The experimentation being reported has been undertaken in an attempt to meet this research requirement. In experimental form the problem has two phases, which may be stated as follows--

1. Do followers possess traits different from leaders in the same situation?

2. Do leaders in different situations possess the same traits?

In the experiment conducted to answer these questions 132 people served as subjects, half as leaders, and half as followers. There were twenty officers, twenty non-commissioned officers, and twenty privates from the U.S. Army post at Fort Sheridan, Illinois. There were twenty criminal leaders and twenty criminal followers from the State Penitentiary at Joliet, Illinois, and sixteen student leaders and sixteen student followers from the University of Chicago. All leaders were chosen because of their outstanding leadership qualities, and because of the belief of their fellows that they would be leaders in almost any situation. The followers were chosen because of their outstanding traits of submission and lack of aggressiveness.



Twenty-eight psychological tests were given to these subjects in a standard fashion and under standard conditions. The scores were then compared to discover two things: first, if leaders react to the tests differently from the followers; and second, if leaders in different situations react in the same way? We had four different situations: the student situation, the criminal situation, and two army situations, the officers compared to privates and the non-commissioned officers likewise compared to the privates.

The tests used were psychological tests, some of which are standard and some of which were developed in the first experiment about which I have already spoken. Such traits as the following were measured: aggressiveness, self-confidence, intelligence, emotional stability, finality of judgment, tact, suggestibility, and speed of decision. It should be said concerning these tests that aside from the intelligence test, we lack complete statistical verification that they measure what we think they measure. However, whether they do or not is of no particular importance in this experiment. The question is, do leaders differ from their followers in the twenty-eight tests given, which are the best available tests of personality traits?

The results have been interesting. We have discovered that these tests do differentiate between leaders and followers in the same situation. We have discovered, too, that leaders in different situations do not possess the same traits. I am not going to present the statistical data demonstrating these facts. I hope sometime soon to have the entire study with its 100 pages of statistical tables published. I should rather confine the time allotted tonight to a discussion of the actual conclusions and their significance.

The experimentation with these four groups of leaders and followers has proved two things. First, that leaders possess different traits from their followers, and second, that leaders in these four different situations do not possess even a single trait in common. This amounts briefly to a demonstration of the fact that leadership is a function of a definite situation, and that we cannot talk about leadership traits in general, but

that instead we must talk about leadership traits in particular situations. We must talk about the traits of army leaders, the traits of student leaders, the traits of criminal leaders, the traits of political leaders, and so on, always designating the leadership situation. This is the conclusion that our year of experimentation brings, and it is easy to look about and to discover common-sense examples to justify it.

In Chicago, where labor unions are well organized and powerful, it is interesting to observe that the leaders in the building trades unions are an entirely different type from the leaders in the needle trade union. In the same fashion the leaders of the teamsters' union have widely different characteristics from the leaders of the painters' union. One can find many other examples at random: leaders of coal miners are not the same type of men as leaders of Italian laborers; nor have the leaders of itinerant gypsy bands the same traits as leaders in our highly civilized urban life. Different situations require different types of leaders with different leadership traits. Within the last year there has been published a book by a Chicago sociologist entitled *The Gang*, a review of several years of intimate contact and study of the gang life of Chicago. The importance of the leadership situation is brought out here, too. The author asserts that gang leadership differs from gang situation to gang situation, from time to time and from place to place. One can produce other examples from his own experience to demonstrate the truth of this generalization. Certainly the individuals who are leaders in scientific research in this country are a different type of individual from those who are leaders in the country's large-scaled selling organizations or the leaders in production. Similarly, everyone will agree that military leaders are a different type of individual from religious leaders, and there are few who would dispute that political leaders are a different type of individual from artistic leaders. The experimentation reported tonight was conducted, of course, with leaders who seemed to have much in common. They are all what has been called face-to-face leaders. They are individuals who meet and command their followers face-to-face. It has long been

supposed that these face-to-face leaders have at least a few traits in common. Not a few authors have presented lists of such traits which include dominance, social ability, verbal fluency, and several other traits which accentuate their dominant qualities. It should be observed that all of these lists come from authors who have never gone into the laboratory to test groups of leaders to discover their traits, and certainly the burden of proof is upon them to verify their opinions experimentally.

The conclusion presented here that there is no such thing as a general leadership factor, is not likely to be a popular view with some people. We are used to thinking of such individuals as Roosevelt and Bismarck and Napoleon as natural leaders, men born to leadership, men who would be leaders in any situation. Many people will give up the idea of such natural leadership with much reluctance, but I think it is possible to analyze the leadership of such individuals and to demonstrate that it is in reality only leadership in a single situation carried over to other situations because of such factors as prestige, the habit of leadership, and similarity of situation. Take Roosevelt, for example. He is generally considered to be America's outstanding example of natural leadership. But he was not a leader at Harvard. He did a bit of boxing, and he played around with a semi-intellectual group, but except in a small way he wasn't a leader. He got under way a bit during his short career in the New York State Assembly, but his leadership began when he went out to his western ranch and acquired self-confidence by being successful with his ranchers. He became successful with his ranchers, moreover, because of acquiring the qualities that the ranch group considered important. He learned to ride well, to shoot straight, to hunt expertly, and even to swagger a bit. These qualities, together with the prestige of his wealth and his education, made him a leader in the eyes of western ranchers. With the self-confidence he thus gained, he came back to the political situation in the east, worked hard at his politics, obtained prestige because of his success, got into the habit of thinking of himself as a leader, and ended up with everyone considering him to be a born

leader. In the same fashion I think it is possible to analyze Napoleon, Bismarck, and other so-called born leaders, and to demonstrate that they obtained their leadership first in one situation and that they then transferred that leadership to other similar situations, and later from those similar situations to situations further removed. Finally, the prestige of their success made them leaders in any situation they entered.

One cannot, of course, push this denial of natural leadership too far. Certainly, other things being equal, the best endowed and the best trained individuals do rise above those not so well endowed and not so well trained. Those born with the best bodies and the best brains will in all probability acquire authority over those with bodies and brains of less ability and power. Very likely Al Smith, had he been born in wealthy Westchester County and trained at Harvard, would have been a leader in some field of activity if not in politics. More than likely his native equipment is such that he would attain to leadership anywhere, and even despite the disadvantages of a college education. But who can say? Native equipment is but part of the story. Another part is the training the native equipment receives, and quite as important as endowment and training taken together is the situation. Al Smith is well endowed and politically well trained, but there are a good many people who attribute his success and popularity chiefly to the dramatization of his Oliver Street background, which gives him the double advantage of appearing as the champion of the people and a product of America's great ideal of democracy. Had he been born into a wealthy family and gone to Harvard, he might have become a leader anyway, but at least there is some justification for supposing that Al Smith has come to power largely because his equipment and training fitted into the Tammany Hall political situation so evenly that he glided ahead to success and fame easily and inevitably. Endowment and training are but half the story. The other half is the situation. When a well-equipped man meets the proper situation, a leader is produced. Another example in support of this concept is the career of General Grant. Grant had the

endowment and the training, but had not the Civil War come along, he'd never have had the situation in which to demonstrate his generalship. If the war had not come, he would have died an obscure seller of leather. His fame would not even have reached the border of his own Illinois county, and what fame he did attain would have come to him chiefly because of his prowess as a drinker. This is as good an example as one can find of the equipment of a leader waiting for a situation to present the opportunity. As with Grant so with Foch. As with Foch, so even with Napoleon, who would have never had his opportunity had it not been for the confusion following the French Revolution. Despite all that has been said about born leaders, one must agree that even though the best endowed and the best trained will rise above those whose stock is not so fine and whose training has been limited, a real leader is produced only when a well-endowed and well-trained individual meets the situation which gives his powers freedom and opportunity.

Whether or not this point of view is likely to be popular, it has interesting and valuable implications, particularly in the selection and development of leaders in present-day industrial and political life. The assertion that leadership is produced by the meeting of the proper equipment with the proper situation, means that individuals should look about for the proper situations in which to use their equipment, and that institutions should select individuals for future leadership who have the qualifications to be successful in their particular situation. It is interesting to observe that there are few former captains of college football teams who are outstanding leaders in our political and industrial life. Football captains are leaders (sometimes only headmen) in their one athletic situation, but few of them have gone on to become leaders in later life. If this generalization is sound, this is so because these football leaders did not have the qualifications to rise to positions of leadership in the more complex situations of their later lives, or because the situations which their equipment needed to be successful never came. One can think of other examples of

individuals who were leaders in one situation but who failed in others. Consider the failure of General Grant as president and the similar failure of Harrison. Consider Henry Ford as an industrial leader and his sad failure when he attempted to lead social thinking through his Peace Ship and his Dearborn Independent. Think of the effectiveness of William Howard Taft as Chief Justice of the Supreme Court as contrasted with his mediocrity as chief executive. Other examples might be selected at random. Perhaps these suffice to give point to the suggestion that leadership is a function of a specific situation, and not a mysterious general factor innately resident in some individuals and conspicuously lacking in others. We must talk about leadership in specific situations, even though we must recognize that there are factors which tend to obscure this situational foundation.

**Conclusion.** Before summing up the three distinctions here presented, may I take a few moments to urge the importance of the experimental approach to social phenomena. The physical scientists have made long strides, very long strides, because of their strict adherence to the experimental procedure. The social scientists seem likely to move ahead but slowly until they follow the same experimental practices. The research discussed tonight is the first that I know of which has sought to survey leadership in a laboratory under standard conditions and with standard procedures. It is admittedly incomplete. The conclusions that have resulted may be overturned by some future experimenter, but whether they are or not, I think they suggest importance of the experimental approach to social problems. Of particular value for future study of leadership would be researches into such problems as the following—

*The Genesis of Leadership.* I have said that Roosevelt was not a leader as a boy or as an undergraduate. Neither was Napoleon. The question is, how did they become leaders? Mr. Wiggam in the first paper of this series suggested that they became leaders because of their heredity. There are a great many people who think that Mr. Wiggam is only telling half the story when he stresses ancestry only. These people think

it is necessary to remember that an individual is the result not only of his native equipment, but also of the environmental pressures that mould and remould the endowment which his ancestors have given him. But whatever theory one may lean toward, it certainly must be agreed that research into the genesis of leadership would throw considerable light upon our understanding of what leaders are, and how they attain to their leadership.

*The Techniques of Leaders.* Leaders succeed in attaining to leadership and in maintaining their positions by the techniques they use. Different situations, of course, require different techniques, but there is no study of leadership which is likely to prove more interesting or more valuable than a study of the methods used by leaders in getting their effects and in keeping their followers in line. A study has recently been made of the public speaking techniques of political leaders, of the little tricks they use to arouse their audiences, to maintain their loyalty. I think everyone will agree that a study of the public speaking techniques of William Jennings Bryan would be of considerable value to other public speakers. Similarly, the techniques of all kinds used by all types of leaders would be interesting and important social data for evaluation and for transmission to future generations.

*The Physiology of Leadership.* It would be interesting to make a physiological survey of various types of leaders. Unfortunately no physiological measuring stick is available with the exception of basal metabolism. It would be interesting, however, to measure the basal metabolism of two or three hundred leaders from various situations to discover if there are any common factors which would throw light upon the problem of the genesis of leadership and upon other aspects of the broader problem.

*The Genesis of the Motives of Leaders.* The definitions suggested in my first few pages distinguished between leaders and headmen chiefly because leaders have motives while headmen and their motives are not very different from those of everyone else. Leaders, according to this definition, do have at least one

trait in common: the trait of having a motive, of going somewhere. Leaders in different situations are bound in different directions, but at least they are on the move, and that is their one common trait. An interesting and valuable study could be made into the genesis of leadership motives with the hope of discovering more basic elements in leaders and in behavior generally. William Jennings Bryan became a great orator, for example, because of a combination of circumstances which made him interested in politics and which, in turn, instilled within him an ambition to be a great political orator and leader. His father had been in politics. He had met not a few political characters in his state. At sixteen he went to the Democratic National Convention being held in St. Louis. When he got to college he decided that he would become a debater and go into politics. We know just enough about the genesis of Bryan's motives to want to know a great deal more, and the same is true of Napoleon and Bismarck and Disraeli and a great many others. Research into motives promises to be of utmost importance in our understanding of human behavior whether it be the behavior of leaders or of followers.

These are but four of the studies that might be made. There are any number of others which would produce significant facts. This research is but a beginning. Meanwhile, perhaps the material here presented may stimulate discussion and an interest in the research procedure. The points ready for immediate discussion are three. Summed up briefly they are these —

1. The distinction between headmen and leaders.

2. The distinction between the situational and the individual emphasis in studying traits, and more especially the distinction between situational prestige traits and individual traits in isolation.

3. The distinction between so-called natural leadership and leadership in specific situations, a distinction which might be summed up in the phrase "the specificity of leadership."

The French writer Taine once observed that any good book can be reduced to three paragraphs, and the three paragraphs to three sentences. The data here presented may not fit into



Taine's classification, but in any case these three distinctions may be summed up in three phrases: leadership as opposed to headship, situational prestige traits, and the specificity of leadership.

### QUESTIONS

Are leaders born or made?

Is a leader a leader in all situations?

Are all business executives leaders?

Have all leaders any distinguishing traits in common?

Do circumstances make any difference in the effectiveness and abilities of leaders?

Would Al Smith have been a leader had he been born of wealthy parents and gone to Harvard?

## CHAPTER VI

### WHAT DOES A LEADER DO?<sup>1</sup>

PROGRESS in a republic is peculiarly dependent on the quality of leadership. How to discover and elect competent national leaders is one of the most vital and significant problems in American life today. Where there is no vision the people perish.

The problem has been attacked from many different angles. To me the practical aspects seem most important. We may get much pleasure and even a mystic thrill from an abstract discussion of the nature of leadership. But potential leaders will not thereby be discovered until workable methods of appraising leadership are evolved.

The development of practical methods of discovering potential leaders has been seriously handicapped by the confusion which still clings to the meanings of several important words. For example, by force of long habit and heredity, the word "government" suggests naturally to most people an agency for regulating the individual actions of men. Therefore, a government passes laws and maintains police force to enforce them. This aristocratic notion of government still predominates in our conceptions of our own Federal Government, as evidenced by the enormous number of laws designed to regulate personal conduct. Recent experiences have taught us that this conception of government does not work in the United States.

On the other hand, if we carefully study the Constitution we see that all prohibitions therein, except the eighteenth amendment, prohibit government from interfering in certain vital respects with the freedom of the citizens. This indicates that our government was intended to be an organization for creating and maintaining conditions in which individual citizens

<sup>1</sup> Charles R. Mann, Director, American Council on Education, Washington, D.C.; Author, *Engineering Education*, Bulletin 11, Carnegie Foundation.

might be free to do constructive work, each on his own initiative. In other words, democratic government is essentially a facilitating agent to maintain stable conditions under which self-governing citizens can work to best advantage in achieving their individual ambitions. So long as the old conception of government remains predominant in our minds, the progress of American democracy will be hampered.

The same ambiguity clings to the word "leadership." Under its generally accepted inherited meaning, a leader is an autocratic superman, a king in his particular field. He is in a class by himself, surrounded by a different class of beings known as followers. His actions are picturesque and attract wide comment. Typical leaders of this type are Alexander the Great, Julius Caesar, Napoleon.

With this type of leader in mind, discussions of leadership are apt to attempt to analyze the characteristics of such men and to set them down as the essential characteristics of all leaders. There are, however, leaders of a different type, such as Washington, Franklin, or Lincoln. Recently, H. G. Wells is reported as saying that in his opinion as an historian the greatest leader of all time was Christ. Clearly, before progress can be made in determining practical methods for detecting potential leaders, some less ambiguous criteria for their selection must be found.

The discovery of such practical methods is of still greater significance in our country because, in addition to the national and international leaders of the type mentioned, everyone here may be a leader some time in some particular group or in some particular occupation. Every individual is connected with various groups which are organized for various social and recreational purposes. In these a different person is usually the leader in each group. Besides, when the President of the United States is ill, he calls a physician and follows the physician's directions. The physician is temporarily his leader, and he is a follower. When your automobile refuses to run, you follow the instructions of a skilled auto mechanic. He is temporarily your leader.

With such complex interrelations and interchanges between leaders and followers in our daily lives, it is of supreme importance that the characteristic actions of leaders be well understood so that all citizens may acquire the best habits of leaders as far as practical. Progress in a democracy clearly depends quite as much on the quality of the sum total of all these minor leaderships as it does on the quality of leadership of the relatively few who become outstanding figures in politics, in religion, or in other fields. We shall more quickly approach the realization of the purposes for which this nation was founded as all these minor leaders in business, industry, politics, and the professions act, each in his own sphere, in accordance with the recognized practices of trustworthy leaders.

The situation in this matter reminds one very much of the situation that prevailed in science some two centuries ago. Then men were discussing the phenomena of science in such terms as caloric, phlogiston, magnetic aura, and the like. So long as this effort to control physical forces on the basis of metaphysical discussion prevailed, little progress was made.

Progress in the mastery of heat began when a thermometer was invented. This enabled men to measure the operations of caloric by means of the effects produced by caloric on material, observable things. The use of the thermometer did not stop arguments about the nature of heat. It merely made it possible for men to discover practical methods of controlling heat for useful purposes.

It was by the same process that Faraday brought the thing known metaphysically as electricity under control. When he discovered that by a certain arrangement of material things a measurable amount of copper was deposited in a given time, he started the processes which harnessed electricity. We still speculate about the nature of electricity and much benefit is derived therefrom. But electricity has become our servant because we deal with it in terms of the results it produces in tangible, material things.

In the second chapter, the effort was made to define the

personal traits that are characteristic of leaders. The traits selected are—

- Sociability.
- Capacity for organizing groups.
- Responsiveness to current events.
- Flexibility in devising compromises.
- Histrionic ability.
- Willingness to work.
- Capacity to get things done.
- Self-confidence—courage.
- Personality.
- Intellectual and moral integrity.
- Independence of party.

I wonder how many of you can agree on this list of traits as those of a true leader. How many of you can agree on the definition of what is meant by sociability? If everyone here were to rate Theodore Roosevelt on his sociability, how well would the ratings agree?

This process of analyzing individuals into personal traits appears to be analogous to the process of dealing with science in metaphysical terms. It furnishes interesting materials for discussion. It gives the delight that comes from arguing about the mysterious and the unknown. But it has not yet led to practical methods of detecting potential leadership that are useful on a broad scale and give comparable results.

Some years ago there was much talk in colleges about training for leadership. Many colleges stated that leadership is the ultimate aim of their instruction. A great change has taken place in the past ten years. A search through some 250 college catalogs, revealed only seventy-nine that make general statements of their ultimate purpose. Of these, only eight mention leadership as one of their aims. In his recent address to the student body at the opening of college this fall, President E. M. Hopkins of Dartmouth said—

Consequently, I have come to distrust the validity of much of what has been said, including much which I have said myself, in regard to its being the function of higher education to train for leadership. I ask permission to revise this statement to say that the first function of the college is to educate men for usefulness.

This turning of the colleges from leadership to usefulness as an objective of instruction suggests a different method of discovering the capacities of men. For usefulness is appraised by what men do. It is a relatively simple and accurate thing to observe action and appraise its significance. I rather think this is the method most of us use in judging each other's characters.

It is interesting to note in this connection that great literature depicts character by descriptions of action. The Bible is a continuous series of stories of what men did. Plutarch's immortal work is a detailed record of activities. When Shakespeare wishes to portray character forcefully he does it in terms of action; as, for example, Mark Antony's speech at Caesar's funeral—

"He hath brought many captives home to Rome  
Whose ransoms did the general coffers fill:  
Did this in Caesar seem ambitious?  
When that the poor have cried, Caesar hath wept.  
Ambition should be made of sterner stuff;  
Yet Brutus says he was ambitious;  
And Brutus is an honourable man.  
You all did see that on the Lupercal  
I thrice presented him a kingly crown,  
Which he did thrice refuse; was this ambition?  
Yet Brutus says he was ambitious;  
And, sure, he is an honourable man."

This passage from Mark Antony's speech is interesting also because of the manner in which innuendo is used to arouse suspicions of Brutus. Antony wished to create in the crowd a definite picture of Caesar's greatness. Therefore, what he says about Caesar is in terms of action. On the other hand, he wished to confuse the crowd and make them all suspicious of Brutus. To do this he applies epithets in the form of traits.

Among modern writers, Kipling has defined the objectives of a leader in his immortal poem "If."

If you can keep your head when all about you  
Are losing theirs and blaming it on you;  
If you can trust yourself when all men doubt you,  
But make allowance for their doubting too;  
If you can wait and not be tired of waiting, . . .

These obvious tendencies of colleges and these practices of good literature to portray character in terms of action suggests the idea that similar treatment of the problem of discovering potential leaders might yield practical results. For the purpose of testing this idea, I have written down twelve items that describe characteristic things leaders do. These are not presented as complete or final descriptions of the essential characteristics of leaders' actions, but as a sample of procedure in attempting to define the practical methods of appraising leadership. These are—

1. Sees a vision of achievement.
2. Grasps the significant features of the situation.
3. Determines what must be done to realize the vision.
4. Concentrates on the necessary work.
5. Sticks to the job.
6. Inspires others to help him.
7. Relates his work to theirs.
8. Enjoys the humorous side of things.
9. Pursues the vision as it recedes and changes.
10. Creates new ways to master difficulties.
11. Treats others as he would have them treat him.
12. Worships the Lord his God.

This method of appraising men can readily be tested by applying it in some particular case. Experience shows that it is very much easier to rate one's acquaintances in this sort of terms because this is really the process we all use in forming all of our judgments of one another. For some strange reason we have developed a habit of expressing our rating in terms of abstract traits, although we actually make the rating from observation of such actions as these. It is the jump from the observation of action to the expression of that observation in abstract terms that causes the horrible confusion in which we find ourselves with regard to fitting jobs to men.

It is easy to see why this is so. If we are to establish relations between jobs and men, they must both be resolved into factors of the same sort. In science we measure distance with a foot rule and temperature with a thermometer. It would be difficult to find anyone stupid enough to try to measure temperature with a foot rule. Yet that is what we are doing in the personnel

problem, when we try to evaluate jobs in terms of personal traits. By this process we introduce not only the inherent ambiguity of the indefinable traits themselves, but we try to describe objective action on material things in terms of spiritual qualities. To me, this is quite as bad as trying to measure temperature with a foot rule.

Another advantage of using the suggested form of personality analysis is that each rating is an estimate on the action of the whole man. In whatever anyone does he acts as a unit. All of his traits and personal characteristics synthesize in an action that is characteristic of him. It is not possible to characterize accurately such a composite action by considering only one isolated trait. It seems to me impractical to characterize such a unified action in terms of a combination of traits, because it is not possible to assign to each trait its relative weight in the combination. All of the confusion and ambiguity that inheres in the trait analysis disappears when action is appraised simply as action and jobs are analyzed into things that must be done. This process gives us a common system of units in which to appraise men and work, and makes possible the development of practical and workable methods of solving the eternal problem of finding the right man for the place, including the problem of discovering competent leaders in all walks in life.

### QUESTIONS

1. What are the most practical methods of detecting potential leadership?
2. What are the characteristic things leaders do?



## CHAPTER VII

### LEADERSHIP AS A RESPONSE TO ENVIRONMENT A FIELD FOR RESEARCH<sup>1</sup>

It should be our common understanding that we approach the subject of "Leadership as a Response to Environment" in the spirit of inquiry. The relation of environment to leadership is a field which research has not yet explored. In fact, it may be best to assume that to be the case with respect to the problem of leadership in all its aspects. We have barely made a start in this field of inquiry, for one must even question whether there has yet been formulated a definition of leadership acceptable to the scientific mind. We should consider these conferences as no more than an honest effort to map out the field.

We do have, else our conferences would be a waste of time, a common understanding sufficient for conference of what is meant by the word leadership. A recent definition by Ordway Tead is acceptable for our purpose:<sup>2</sup> "Leadership is the name for that combination of qualities by the possession of which one is able to get something done by others chiefly because through his influence they are willing to do it."

**Importance of the Leadership Situation.** Now the good old English suffix *ship* plays a large part in this and practically all definitions and concepts of leadership. The suffix *ship* is always attached to a noun which identifies a person or agent to denote the state, office, dignity, profession, art, or proficiency of such person or agent, with respect to the qualities indicated by the noun; for instance, *fellowship*, *horsemanship*, *friendship*, *leadership*. Such words always direct our attention to the person involved—the fellow, horseman, friend, or leader—and to his qualities. As a result we consciously or unconsciously delimit the field of interest to the person and his characteristics. Most

of our inquiries into leadership have had to do with attributes of personality.

It is the hypothesis of some students that the person and his characteristics constitute only one part of the field which as a whole must be of interest to science. One cannot have fellowship without others having responsive fellowships, and without attendant circumstances which generate and promote fellowship; one cannot possess horsemanship without horses with the capacity of being ridden and circumstances which made riding possible—sailors are not noted for horsemanship; and likewise there cannot be leadership unaccompanied by capacity to be led, and a situation in which leading of the led is essential or possible.

Another reason why we have given principal attention to the leader and his traits is that situations calling for leadership do not have to be discovered. We focus attention on the qualities of leadership required, because they do have to be discovered. So pressing is this problem of discovery of leaders, that we have even come to speculate on the possibility of making—of training—leaders. Perhaps both the discovery and the training of leaders would be promoted if we understood situations better. Perhaps one of the essential characteristics which makes one a leader is one's understanding of the situation.

Generally, those who hold the hypothesis that any particular leadership situation plays a large part in determining leadership qualities, hold also another: that the qualities in an individual which a particular situation may determine as leadership qualities, are themselves the product of a succession of prior leadership situations which have developed and moulded them. This raises the question whether leaders are born leaders—are leaders because their forbears were leaders—or are born adaptable raw material which experience develops into leaders.

**Are Leaders Born Leaders?** Science has not yet given us the answer to this question, but its data appear to establish the probability that leaders are not born leaders because their forbears were leaders under particular circumstances. This statement is not in agreement with the statements of the

distinguished leader of the first of this series of conferences. His point of view appears to be that genius—including the genius for leadership—is hereditary.

That point of view appears to rely upon those early researches into heredity which had to be content with the study of families—studies in which it was impossible to separate under control and measure the relative parts played by biological heredity and environment; and to ignore more recent biological research inspired by the discoveries of Mendel, de Vries, and others. Explained very broadly these discoveries are that germ cells carry combinations of characteristics which reappear with differing relative degrees of dominance in offspring. "The broad meaning of the principles of Mendelism, as applied to an organization like man," says Pearl,<sup>1</sup> ". . . is that an enormously wide variety of new and different combinations of qualities is always possible, and may be expected to appear in some degree in virtually every mating. Some of these combinations may be good and some may be bad; some may be of such sort that they have their expression greatly influenced by the environmental circumstances under which their development takes place, while others will be capable of but slight modification by any environmental influence consistent with the continued life of the individual. In such a genetic situation it is clear that any attempt to predict what the bodily characteristics of the parents, or those of the ancestry generally is doomed to . . . failure . . ." If this be true of physical traits, how much more true unquestionably of traits such as are involved in the personality of leadership!

I recommend that you read the article from which this quotation has been made. It is essentially a preliminary report of conclusions of a study to be reported in a forthcoming book. Pearl has studied the parents and children of all persons of such superiority as to have by their achievements secured at least a full-page biographical notice in the current edition of the *Encyclopaedia Britannica*. The number of cases is 1,011. Pearl

divides these cases into three classes: (1) rulers, (2) statesmen, and (3) others. He then discards the first two classes as representing distinction derived in some part from positions held and the circumstances of their times. He concentrates attention on the third class—588 cases—as having distinction derived in the main solely from personal superiority—such as artists, singers, and philosophers. Of sixty-three philosophers only two had fathers of such distinction as to leave a record, and only five had children who were gifted or distinguished. Of the eighty-five poets only three had fathers of sufficient distinction to be mentioned in the *Britannica*. “Certainly modern genetics gives no support to the view that the somatic characteristics of the offspring can be predicted from a knowledge of the somatic characteristics of the parents,” says Pearl in his concluding paragraphs.

John Dewey, positivist, evolutionist, generalizer in terms of its meaning to life of the results of modern science, prefers not to use the term *instincts*<sup>1</sup> as implying traits or capacities definitely organized and adopted to specific cases, and employs instead the term *impulse* to indicate something more plastic and undifferentiated. Impulse becomes definitely organized and adapted as a result of continuing reaction to environment. “Impulses although first in time are never primary in fact (i.e. in conduct); they are secondary and dependent. The meaning of native activities is not native; it is acquired.”<sup>2</sup>

One is tempted to generalize in a similar manner concerning leadership. Each individual inherits combinations of characteristics in the germ plasm which are different from the combination of characteristics inherited by any other individual, although there may be large areas of identical characteristics; these characteristics are called out, developed, and adapted to the requirements of social adjustment according to the combination of influencing elements in the successive environmental situations; and if a situation calling for leadership

appears, he will become leader if his combination of inherited characteristics, developed by his combination of environmental influences, has developed in him that total capacity for conduct called for by the leadership situation—and identified by contemporaries as leadership.

This makes leadership pretty much a matter of chance; the chance of the particular leadership situation finding in some individual the leadership qualities it requires. Of course, situations change by such small increments that a leader once found may remain leader through a series of moderately changing situations, but let there come a large increment of change in the situation, presenting new group problems and requiring a new combination of characteristics for leadership, there is as yet no principle which will enable one to determine in advance what individual will be chosen by circumstances as leader.

It has appeared worth while to dwell on these matters at this length in order to bring realization of the importance of research with respect to factors of environment as well as to traits of personality. It takes both to make leadership.

**Environment Develops Leadership Capacity.** When we come to examine more closely the probable part played by environment in leadership, we find two aspects of environmental influence which are sufficiently distinct to warrant separate consideration. There is the nature and influence of the environment which moulds an individual's impulses so that when a leadership situation presents itself, he has capacity for the responsibility; and there is the nature of and influence of the particular environment—the leadership situation itself—which demands those capacities and selects him who possesses them.

This gives us, therefore, before we can know much about leadership, three fields of study, of which data must be observed, classified, and correlated; and perhaps four fields if we break the third into two: (1) biological inheritance, in which painstaking research is being made; (2) environmental influence on the development of inherited characteristics; (3) the general social and physical environment of a leadership situation; and

(4) the led group as a distinguishable factor in the leadership situation.

In speaking of particular leadership environments I have naturally had in mind, because of the general title of this volume, leadership situations in industry, which offers leadership, with rare exceptions, only to individuals of experience and maturity. In speaking of environmental influences which shape undifferentiated impulse into differentiated capacities for social use, I have had in mind that experience of the individual from birth until experience and maturity have been acquired. This experience has been a succession of situations diverse in nature and influence, some of them, of course, leadership situations. We may first distinguish the period of infancy in which, we are now beginning to believe, environment, though domestic and apparently narrow, plays a powerful part in establishing capacities and patterns of conduct. There is, second, the period of primary and secondary schooling in which a great new area is added to the environment—school life and contacts intermixed with family life and contacts. There is, third, the period of schooling away from home, in which the environment loses the domestic elements; and finally, the period of sole responsibility for livelihood and achievement with its great new area of experience. Each of these situations plays its particular part in shaping character and ability, and in developing leadership capacity out of whatever biological characteristics and plastic primal impulse are raw material for such capacity. In the process of adjustment to these stages of environment are brought out, or not brought out or deadened, such simple or compound characteristics of individuality as physical and nervous energy, courage, initiative, purposiveness, enthusiasm, persistence, patience, imagination, mental alertness, knowledge of human nature, technical knowledge, and so on, to mention only part of the list to be found in enumerations of leadership traits. Study of the first manifestations and subsequent development in many individuals of any or all of these qualities is of great importance; and I believe of great importance also, the study of environmental forces which retard or

deaden such qualities as these and establish what are known as inhibitions. How powerful a factor is the conventional system of parental discipline in creating inhibitions which neutralize the manifestation, exercise, and growth of leadership characteristics; how powerful a factor in the same unfortunate way is the conventional system of organization and technique of the educational process? Do those who conform become leaders, or do those who struggle against conformity gather leadership strength from such struggles? Or does one type develop leadership characteristics for a particular type of leadership situation, and the other leadership characteristics for another type of situation? These are pertinent and as yet open questions. Experiments are being made which give opportunity for individual self-expression, with respect both to the environment of parental discipline and to the environment of education, but one questions whether the scale of experiment is large enough, or the observation, recording and classification of the pertinent facts in detail sufficient for important discoveries concerning leadership.

I feel strongly that the study of conduct in childhood and youth, and of the situations which call for such conduct, will give us some guiding principles for a sane and profitable study of industrial or other form of leadership in the years of an individual's maturity. The situations of childhood and youth, though complicated enough, are less complicated than those of mature years, and may be analyzed with more probability of profitable results.

• It is a matter of common observation that where small children are brought together for the first time as a group, after a brief period of shyness, play gets under way. Some one of the children responds to the situation and takes initiative. What is the situation which demands that particular characteristic of leadership, and what have been the earlier influences surrounding the child who manifests initiative? After the group has had experience in playing together, when shyness has disappeared and initiative becomes automatic, another individual may appear as leader in the group—an individual with

imagination who conceives new games to play or new things to do. What are the characteristics of that leadership situation, and what the surroundings which developed the imaginative child? After a longer experience in group activity, when neither initiative and imagination are so necessary, because the group has a repertory of games or things to do, still another may become leader because he knows best how to direct an organized game or other activity according to the rules. Here is a different leadership situation—different as to the situation minus the led, different as to the situation with respect to the led minus the rest of the situation, different as to the leader called upon to lead, and different with respect to the relations of all of these. This illustration drawn from childhood may be duplicated by illustrations drawn from the grammar school, high school, and college experience of any of us. There would be promise of important results in explanation of leadership if numerous, simultaneous studies, coordinate as to the technique of observation and record of data, could be made of all kinds of leadership situations in early and late childhood, youth and other periods of life, and the resultant data compared.

**The Leader, the Led, and the Environment.** Giving attention now to leadership in the important affairs of society, we may distinguish in any leadership situation three outstanding factors that contribute to the leadership: the leader and his qualifications; the led, their qualifications for being led and their influence in choosing—in determining the kind of—leader, and the environment of leader and led, which creates the problem of leadership and plays its large part in determining the kind of leader to be chosen. .

What has been said about the study of individuals from infancy on, with respect to the influence of environment on development of leadership capacity, has a bearing on the study of the leader in a later leadership situation of social significance. The leadership responsibility of mature years is but an *n*th term in experience—the latest of a series of leadership situations. Individual capacity and suitability in a leadership situation may be frequently pretty completely accounted for in advance



if approached with knowledge of the development of such capacity in infancy, childhood, and youth.

The led—their capacity and need to be led, and the part they play in determining the leader, and therefore in defining leadership capacity for the particular situation—is a phase of the problem to which little attention has been given. It has not yet become the object of organized, sustained research. Miss Mary Follett has emphasized its importance as a factor as have other students of group behavior, and Eduard Lindemann has given us some factual material in *Social Discovery*. This book is essentially on the nature of group activity, its argument being based on an objective study of farmers' cooperative marketing organizations. Lindemann defines a leader as<sup>1</sup> "An individual whose rationalizations, judgments and feelings are accepted (responded to) by the group as bases of belief and action." And he immediately goes on to say: "The definition is double-barreled: it assumes that the leader acts as a stimulant to group action, and also that the group *accepts*, i.e. consciously acknowledges the rationalizations, judgments and feelings of the leader as its own. The implication here is that these very rationalizations, judgments and feelings of the leader may have been stimulated by the group. The leader is a stimulus but he is also a response." In another place he says<sup>2</sup>: "The traditional theory of leadership, being a quality inherent in some member of the group, appears to be sound, but it is not adequately grounded. All of the evidence gathered in this study tends to substantiate the theory that the leader is nothing more nor less than a symbol for what the group is not . . . what the group wants . . ." And again he says<sup>3</sup>: "It (leadership) is a confusing term since it implies personal attributes and is inconceivable without a group. From the sociological point of view, leadership is an attribute of the group." And again he says: "What are the tests of leadership? When is

the real nature of leadership revealed? What is the significance of the contentious leader in group behavior? When does the relations between the leader and group become sharply delineated? The answer to these queries is: when the group is in a *militant* mood; when the group is *struggling* to express its interests; when *disharmony* has arisen within the group; when the group is in danger of *succumbing* to its enemies; when the group is *defending* itself against its opposition; when the group is *striving* for a public evaluation of its interests."

I cite Lindemann's report at this length because it is the nearest approach of which I am informed to an intensive study of the nature and motivation of a group. It supports strongly the assumption that leadership is a quality of the led as well as of the leader, and that any study of leadership is incomplete if it gives attention only to traits of the leader.

In any leadership situation environment is not in any way less important than the leader and the led. It is circumstances that unite individuals into a group which is something more than the sum of the individuals, give the group its motivation, desire, want, objective, program, or what not, and share with the group itself in determining what individual shall become leader—what combination of characteristics is demanded for the particular leadership. Environment has not only moulded the leader, and the separate individuals into a group, but it has also created the critical situation which brings leader and group together.

One can without much difficulty accept as an hypothesis the proposition that the differences with respect to personal capacities between historic leaders are no greater than the differences between the characteristics of the groups they led; and that neither the differences between the leaders or between the groups led is as great as the difference between the environments—the respective civilizations, cultures, and immediate social problems motivating group action. Environment generates a specific situation and a specific group motivated by a want or a purpose, and the nature of these determine what combination of capacities is essential for leadership. By trial

and error, apparently, the personality is then sought which comes closest to representing the essential formula. If Kerensky is not sufficient, try Lenin, or Trotsky, or Krasin, or another. If a McAdoo is not adequate, try an Al Smith—or have we here a leadership situation in which the environment is so in flux that it has not precipitated a distinct motivated group with a group formula of leadership qualifications?

Making the northwest available as a resource of industry required the Lewis and Clark type of leader; the pioneer problem of organizing access to these resources required a James J. Hill type of leader; such a problem of utilization of resources as is now presented in the Colorado mining controversy calls for a new type of leader. Whoever as leader solves such problems through leadership does it because he is possessed by the combination of qualifications which can solve it in the manner demanded by the logic of events.

This point of view is not at all new; it has been presented by historians, philosophers, poets, and sociologists. The justification for emphasizing it tonight is that most or all studies stimulated by current interest in leadership fail to take into account the necessity of studying the characteristics of the environment in which a leader becomes a leader as well as the biological, psychological, and other traits of the leader as an individual.

**Investigation of Leadership.** What we should strive for is a great coordination of investigations of the nature of leadership, characterized as to its technique by observation, recording, and classification of *items of conduct* involved in leadership situations, and with correlations of the following—and perhaps other—special lines of research—

1. Characteristics that are hereditary and the laws of this heredity. What is the potential leader's equipment at birth?

2. The influence of the environments of infancy, childhood, youth, and young manhood on these hereditary characteristics. Does environment, including petty leadership situations, mould undifferentiated characteristics into specific capacities for leadership?

3. Socially significant leadership situations, with especial regard for—

(a) The part played by environment in creating motivated groups which require leadership.

(b) The creative part played by the group in response to the situation and to the tried or chosen leader.

(c) The leader—his characteristics and the part played by him in response to the environment and the led group.

### QUESTIONS

1. Is leadership capacity inherited or is it a product of environment?

2. What part does the leadership situation play in determining the qualities of the leader?

3. Is individual capacity to lead more important than the group capacity to be led?

4. Should research into leadership be in terms of leaders' qualities or of leaders' acts?

## CHAPTER VIII

### EVALUATING LEADERSHIP THROUGH MEASUREMENT OF MORALE<sup>1</sup>

ONE cannot help being impressed with the very useful distinctions which have been arrived at in this volume on leadership—such distinctions, for instance, as those between the leaders, the led, and the situation in which leadership exists. Those distinctions make it possible to abstract common elements and to draw generalizations that are sound and of wide application. This is very different from starting out with a broad abstraction such as “leadership,” and using it indiscriminately as has been the case with so many discussions on this subject.\*

The purpose here is to limit the discussion to leadership in industrial situations, and particularly to consider whether such leadership can be evaluated with any degree of exactness.

The first need is, perhaps, to attempt to define the situation in which this leadership operates. Approaching the matter negatively at first, industrial situations would seem to be—

1. Not crises and not situations where there is a spontaneous union for the cooperative accomplishment of a purpose, fully conscious on the part of those employed or seeking employment.

2. Situations in which leaders are practically never selected by the group which consists of the led.

3. Situations in which there is ordinarily no personal sublimation in self-sacrifice to a large common purpose.

4. Not temporary situations, that is, situations existing only until the end is achieved.

These elements are stated negatively because they are very frequently typical of other leadership situations.

Described positively, the usual industrial situation is—

1. One entered into primarily for the satisfaction of certain

<sup>1</sup> J. David Houser, Management Engineer, New York City; Author, *What the Employer Thinks, Executives' Attitude Toward Employees*.

elementary needs, on the part of its rank and file, among which providing a means of livelihood is paramount.

2. One in which individual demands nevertheless develop for the satisfaction of a considerable range of desires for self-expression, for growth, self-development, and so on.

3. Leaders, or rather "headmen," are chosen and imposed upon the led by superior authority.

4. A continuing and not temporary situation.

**Judging an Activity by Results.** It is evident that the approach to the entire problem of industrial leadership, and especially the problem of how it may be improved, would be clarified if some means could be worked out for the measurement of this leadership, or rather for the measurement of individual leaderships. Moreover, we may anticipate only continuing debate and little progress toward a solution as long as our knowledge of this problem and its elements remains only descriptive and qualitative. In considering a means for measuring leadership or individual leaderships, we will probably find essential agreement with the following assumption; the quality of the *results* produced by any activity is the best criterion by which the activity itself may be judged.

Perhaps the most immediate and directly significant results produced by an industrial leadership are the *attitudes* of those who are led. And the most meaningful and dynamic attitudes are those toward inherent needs which demand satisfaction in any industrial situation.

It would seem, therefore, that one of the best ways to judge the quality of an industrial leadership is through the feelings of the employed personnel in that situation—their feelings as to how much their inherent needs are being satisfied. Whether this satisfaction be called "morale," or "abracadabra," it is doubtless the most potent driving force in industry. For emotional attitudes—feelings—determine action above all other factors. The degree of satisfaction of inherent needs is truly the foundation of the will-to-do.

**Measuring Attitudes.** All that has been said so far will probably seem obvious, but to *measure* attitude may sound fantastic.

But, it also sounded fantastic to his contemporaries to hear Binet speak of measuring intelligence, before the simple logic of "intelligence is what intelligence can do" was understood.

The growth in ingeniousness of the methods of applied psychology during the last two or three decades has been as great as these methods are fascinating. A great many of the most significant developments have grown out of the work of the educational psychologists in their attack upon the problems of measuring school products. These developments have brought a conviction that many human problems may be susceptible to quantitative treatment, and that genuine measurement of elements hitherto felt to be utterly imponderable may not, after all, be so fantastic as it might seem at first glance. The impressive achievements of the educational psychologists, and the revolution which their findings and methods have wrought in educational procedure since Cornman's pioneer attempt, makes it appear not improbable that other fields of endeavor might profit similarly by more exact treatment of their human problems. If these situations in industry can be approached with something of the realism of Thorndike, the statistical genius of Kelley, and the intense social consciousness of Terman, similar revolutions in industrial practices may well be expected.

No exaggerated claims are made for the following method. It is only a beginning and susceptible of much refinement and improvement in application. Competent judges, however, have felt it sound in its essential philosophical assumptions; and as it stands it has been worked out with sincerity and care.

- Edward L. Thorndike has said: "Whatever exists, exists in some degree and can therefore conceivably be measured." If attitudes exist in degree, if feelings are of widely differing strengths, then it should be possible to determine these degrees and these strengths. If this is done and the result expressed numerically, definite *measurement* will result. As to the actual methods of such measurement, the basic assumptions involved are those in the realm of mathematical probability. While the techniques involved are often complex if not cumbersome, an illustration will serve to make clear the basic approach.

**Basis of the Method.** If seventy-five employees of a group of 100 state that opportunity for promotion is more important to them than good working conditions, and if seventy-five employees of this group (not necessarily the *same* seventy-five as before) state that taking a share in the formulation of company policies affecting them is more important to them than pay, then the strength or importance of promotion is *just as much greater* than the strength of working conditions as the strength of having a part in company policy-making is greater than the strength of pay. The foregoing statement contains with itself all the basic fundamentals involved in the measurement of morale.

**The Elements of Morale.** The first step, then, is to establish the elements of the situation upon which morale depends. As stated before, these would seem to consist of inherent needs, the employee reaction being in terms of the degree to which he feels these inherent needs are satisfied. Reactions to methods which govern these degrees of satisfaction are not sought—at least, not directly.

The actual list of these needs which has been used has been determined on the basis of capable judgment rather than by any scientific process of deduction. While the latter might have been possible, it has been exceedingly difficult to determine just how it could be achieved. After all, utter completeness of this list, and meticulous exactness of definition is probably not the most important of these desiderata at this period of experimentation. If a fairly complete list can be worked out, and if the same list is used in attempting to measure leadership in each situation, then comparisons are reasonably valid. And comparisons are perhaps the most important result that can be gained now.

These elements as worked out so far and used to gain reactions from several thousand employees are as follows—

- Use of experience.
- Clearness of instructions.
- Freedom to consult.
- Welcome into the organization.
- Initiative allowed.



Knowledge of personal status.  
 Freedom from worry.  
 Adequacy of pay.  
 Adding to ability.  
 Opportunity for promotion.  
 New ideas or suggestions.  
 Grievances.  
 Knowledge of larger results.  
 Changes in work methods.  
 Working conditions.  
 Fellow workers.  
 Work schedule.  
 Steadiness of job.

Each of these elements is briefly defined upon a 3 × 5 card. The names or titles of the elements as listed above might not, by themselves, be understood by employees, but great care has been taken in working out the definitions, which are typed upon the card. And only those definitions have been used which have been experimentally proved to be understandable to employees. It will be seen that these definitions are in terms, not of questions but of statements, as to *how much* each need is satisfied. Two of these definitions follow—

#### FREEDOM FROM WORRY<sup>1</sup>

How much you are free from worry over sickness and old age because you are an employee of this company.

#### KNOWLEDGE OF PERSONAL STATUS<sup>1</sup>

How much you know about the way your work is judged, and how you are getting along.

**Importance of Elements to Employees.** The second step is to determine the importance of each element to the individual on the job, and collectively for all of the individuals on all of the jobs. There are two methods which would be comparatively easy to administer. The first would be to have individual

<sup>1</sup> It is evident that responses to the first of these elements, the one concerning freedom from worry, would be useful in evaluating several different types of "welfare work," as well as other methods designed to render employees more or less independent of personal misfortune, old age, etc. And reactions to the second statement would be useful to evaluate certain important elements of direct supervision. As a matter of fact, responses to each definition would furnish evaluations for most of the methods of personnel administration as performed in an industrial or commercial organization.

employees arrange all of these cards into order of importance to them. That is, each worker could be given a pack of eighteen cards with instructions to handle them physically, putting the most important at the top of a row, the second most important next, the third next, and so on down to the last. It would be easy to give such instructions, and some sort of an arrangement could probably be gotten from most employees. This has been tried, but it has been found that there is little guarantee that this will truly represent the real situation. It presents too difficult a task for real discriminations to be made.

The second might be to present each card separately and ask individual employees to decide whether the elements defined on the card were important or unimportant. This might result in two groups of cards for each employee, an "important" and an "unimportant" group, and statistical treatment might then arrange all the elements in order of importance for all employees. But this method, as is true of the first mentioned, has been found more unreliable than is desirable.

A truly rigorous treatment has been demonstrated to demand that every element be compared with every other element. Therefore, these cards have been presented to employees in pairs, and each employee has been asked to indicate the more important in each pair. That is, the interviewer has said: "Which of these two things is more important to you in your job?" This process has been continued until all possible combinations of paired elements have been presented.

As a result of these discriminations on the part of an adequate random sampling, of all of the employees in an organization, it is possible to present a list of the items in the order of their importance—the order in which employees value them for an entire grouping of workers. The following list of items is in the order decided upon by the employees of a large public utility company—

#### ORDER OF EMPLOYEE NEED OR DESIRE

Adding to ability.	1
Knowledge of personal status	2
Opportunity for promotion	3
Knowledge of larger results	4

Steadiness of job . . . .	5
Use of experience . . . .	6
Freedom to consult . . . .	7
Changes in methods of work . . . .	8
Adequacy of pay . . . .	9
Initiative allowed . . . .	10
Clearness of instructions . . . .	11
Freedom from worry . . . .	12
Grievances . . . .	13
Welcome into the organization . . . .	14
New ideas or suggestions . . . .	15
Working conditions . . . .	16
Fellow workers . . . .	17
Work schedule . . . .	18

The method has no possibility of showing *why* employees should decide upon this order of importance, or what all of the psychological elements are, back of the discriminations that were made. When this result has been shown, especially to executives, incredulity has often been expressed. "The work of any method which could produce such an order of importance has seemed unreasonable. For instance, doubt has often been expressed about the worth of the results because of the fact that the element involving "pay" is so comparatively low in importance. This is also true of the element involving "steadiness of job." However, a knowledge of the personnel situation in the company where this work was done, and a thoughtful consideration of employee attitude under various conditions, would go far toward dispelling these doubts.

The picture presented is one of an ambitious group—of a group which realizes that opportunity for worth-while increases in pay, will probably come through advancement, through just consideration of individual employee results, through an individual becoming more expert on the job, and so on, rather than through any small increases of a dollar or two a week or several dollars a month which might be granted immediately. With "steadiness of the job," it is apparent that it has not been given more importance in this situation for the perfectly good reason that security of job has been generally *achieved* throughout the organization. In other words, there are practically no interruptions to steadiness of work because of layoffs, and very

few discharges. Therefore, since this element has been achieved, it is not of as great importance as it would be if there were much uncertainty of job tenure.

There seem to be two causes which will bring an individual element up in importance. One of these is a consistently great significance attached to it by employees in any and all situations, while the other is actual dissatisfaction with the element. In this situation, for instance, if there were many layoffs or many apparently unwarranted discharges, "steadiness of job" would undoubtedly be first or second in importance. Likewise, if there were a general conviction that rate of pay and individual adjustments in remuneration were unfair, this element would rise considerably in importance from the place which it now occupies.

This list of items would seem to measure the strength of each element in influencing that state of satisfyingness which we call "morale." It indicates *how much* the employee wants each element which is pertinent in his job. This would appear to be a long step forward in analyzing the morale situations, but it is possible to go further.

**What Employees Think They Get.** Knowing what the employee wants, the next step is to find out what he thinks he is getting. In order to determine this, the cards are again presented to employees in pairs, and they are asked to indicate which of each pair they think the company emphasizes most. The question is, "Which of these two things do you think the company pays most attention to? Which does the company do best?" Then, when that number of discriminations has been made by employees which are adequate for thoroughgoing statistical treatment and for valid results, a different order of these elements from the first order is obtained. To repeat: this order is an indication of what the employee *thinks he is getting*. It is an order of the presence of the elements in the job or situation as viewed by the employees.

We now have a group of elements of the working relationship arranged in two ways. The first order represents what workers want; the second, what they think they get. The relationship

between the two does not indicate how well employees are being treated, but rather, *how well they feel they are being treated*. This relationship is essentially an evaluation of the satisfyingness of the working environment, and of the forces in it.

**Correlation as Measurement.** The exact correspondent of the two orders can be calculated, and the resulting coefficient of correlation may, it would seem, with real justification be called the measurement of morale.

It is possible to expand and substantiate such a result by measuring what might be called "outside pull." This is done by having employees compare the cards and indicate which of the cards in each pair they think outside companies pay most attention to.

**"Personnel Insight."** An interesting and possibly a significant outgrowth of this method has been to ask individual executives to go through the same process of card comparison as employees do, in establishing the first order of importance. That is, executives in a number of cases have been asked to indicate by the same means, what they feel is the order of importance *to employees* of the different elements. A great range has been discovered to exist between the order of importance which different executives believe exist, a range expressed by a correlation as high as .8 down to a slight negative correlation. These correlations would seem to measure something approaching what might be called "personnel insight." It may be interesting to note that in one company the highest correlations was obtained by the personnel manager, and one of the low correlations by the assistant to the president, who had been given considerable veto-power over proposals which the personnel manager submitted from time to time.

There is no question but what at this stage of social development, autocracy in industry is definitely frowned upon. The general level of social attitude is such that if a definition were insisted upon, human values would be said to be at least as important as financial ones. And even the most autocratic of employers would hardly assert that his sole responsibility was to produce profit—that he had no responsibility for the welfare

of workers, disregarded their rights entirely, and felt that his only duty was to produce favorable financial results regardless of what happened to employees.

Social sanctions are, however, indefinite: and until responsibility for human welfare can (1) be defined, and (2) the adequacy measured of the discharge of this responsibility, industry relations will remain cluttered with vague formulas, flamboyant claims, and repeated rationalizations.

It would seem that the largest hope of clarifying a badly muddled situation, and introducing the disciplines which would accompany well-defined responsibility, is to be found in some measurement of the degree to which human welfare is preserved, cherished, and furthered.

Until ultimate ethical concepts can be formulated and objectified, the best practical measurement of how well an organization's responsibility for workers' welfare is being discharged, is doubtless in some evaluation of morale—of how satisfied the employees are in their jobs. And, of course, this has an intense pragmatic value, because the degree of satisfaction determines on the whole the quality of employee effort.

With such a measurement, the opportunity is afforded to place human values and results, if not on a par, at least as comparable to financial results—to define responsibility, to impose it, and to measure how well it is being discharged. This defining, this imposing, and this measurement would be functions of the sources of ultimate power—of chief executives, or even of owners, or of other representatives of capital.

Once a sound method has been worked out,<sup>1</sup> it is not difficult to see the stimulation which measurement would afford to subordinates to seek out better methods of personnel administration than they are using, in order that results which they are producing might be improved. Measurement would also

<sup>1</sup> It should be noted that while the method described here has produced interesting results and results of some value, several inadequacies in its use have become apparent. One of these is its lack of sufficient detail. An extended experiment has recently been undertaken to attempt to improve the method radically, and it is believed a means of measuring morale will result which will be considerably richer in meaning.

furnish an admirable means for judging the value of devices and methods—for the effectiveness of welfare work, of employee representation, and so on. It would doubtless be a most effective instrument with which to combat the tendency to sieze upon single devices as general panaceas for all employees' unrest in individual organizations.

### QUESTIONS

1. Is industrial leadership similar to other leaderships?
2. How may any activity—a leadership, for instance—best be judged?
3. If leadership produces attitudes, can these be measured?
4. What are the elements of morale, and how important is each?
5. How can an employee's satisfaction with each element of his working relationship be determined?
6. Can the production of a high degree of morale be assessed as a definite responsibility?

## CHAPTER IX

### THE CHAIRMAN AS LEADER OF GROUP PROCESS<sup>1</sup>

LET us take a try at answering the question, *What is a conference leader really doing?* Put more precisely, the question is, "What is a group-thinking process, and what does it call for in the way of a directive technique?" In order to respect our limited space, I shall discuss only the type of conference in which the group job is to bring about an adjustment in a situation that shows conflicting interests and understandings.

Just how does such a conference arise? Let us look at an example. Not a hundred miles from here is an organization that supplies a special type of educational service to a large clientele throughout the country. It has a staff of about 150 persons, falling into four general groups: (1) an executive and administrative group—dealing with promotion, financing, appointments to staff, and types of program, (2) a group of educational specialists—conducting a large correspondence in several departments, and holding field consultations and conferences; (3) a business service group—distributing equipment and supplies, and administering the business arrangements of field conferences, and (4) a clerical force—for stenography, typing, bookkeeping, shipping, etc. The organization takes its personnel relations seriously, realizing that its educational claims would be somewhat discredited if it displayed a crude human technique in its own establishment. It maintains, therefore, a "Joint Committee on Terms of Service," made up of twelve members—four from the board of directors, four from the executive and educational staff, and four from the business and clerical staff—which deals with salaries, promotions, and work schedules. The recommendations of this committee, when it reaches real agreements, become in effect the

<sup>1</sup> Alfred D. Sheffield, Associate Professor of Rhetoric and Composition, Wellesley College; Author, *Creative Discussion*.



employment policies of the Board. One of its meetings will give us an example of the leader's part in a conference process.<sup>1</sup>

The meeting I have in mind had to deal with an expectation, among the staff, of added vacation allowances. It was known that the directors were favorable to some increase on a seniority basis, and had in fact made a limited provision for it in the budget. But the question before the committee was: With limited funds for the purpose, *what sort of increases* would meet the demands of the situation? Should they be small increases for many, or large increases for few? If the latter, for *which* few, and on the basis of what claims? And where substitutes must be paid while vacationers are away, should the vacations be shorter ones with pay or longer ones without? Evidently here was a matter involving a number of interests, personal and organizational, with differences of understanding and feeling as to what was really called for under the circumstances. The conference job, therefore, was to bring about a process of give-and-take between mind and mind that would end in a real agreement—one that would satisfy all parties as giving each what they essentially wanted, or what they had come to prefer over the things they had begun by wanting.

**Maintaining the Pattern of Group Thinking.** It is here that the first responsibility of the conference leader appears. The kind of results that can be expected from a thought process depends on the "pattern" of the give-and-take between the conferees. Somebody, therefore, must be responsible for *maintaining the pattern* of group thinking, where otherwise a conference will fall into the pattern of sales talk or of debate. In the instance I am citing the leader allowed the debate pattern to establish itself. A member of the group started off by proposing a solution of the matter which he had come prepared to put through. He proposed that the added vacation allowances should take the form of three-month furloughs to members of the executive and educational groups at the end of each seven years of service. The disadvantage of such a start for

<sup>1</sup> I am permitting myself in this account to make certain disguising changes in what would otherwise be identifying features and confidential details.

the conference is that it represents a *personal* approach to the problem so far as its thinking goes. It offers the end results of somebody's thought, to which one or more members now seek to win the meeting's assent.

In contrast, the process of group discussion represents a *social* approach to the problem. It starts not with a proposal but with fresh looks at the whole matter from different points of view. Instead of lining up on opposed sides, the speakers try to get at the essential desires that are at stake, with the hope of finding a solution that will satisfy all. Meanwhile, this hope disposes each member to accept some change in his present view, since other members are accepting changes in theirs. In the given case, the desires and circumstances involved were as follows—

#### DESIRES VOICED BY THE COMMITTEE MEMBERS

To meet various employee needs requiring free time, namely—

Recuperation,

Growth  $\left\{ \begin{array}{l} \text{in competency in work,} \\ \text{in interests outside of work,} \end{array} \right.$

Claims, domestic or public.

To maintain the repute of the company as a liberal organization ;

To reduce turn-over ;

To allay certain resentments in the business and clerical groups over preferential treatment of the other groups.

To encourage employees of special ability.

To keep the cost of added time allowances from growing out of hand.

To avoid incurring outside criticism for maintaining de luxe vacation policies.

#### SPECIAL CIRCUMSTANCES IN THE SITUATION

A salary scale either at or slightly under the averages current for similar grades of business and professional work.

Field work with demands overrunning working hours and week schedules.

A rather large turn-over.

Academic contacts of the staff by which certain members were familiar with furloughs and liberal "sabbatical" allowances.

A tradition of democratic relations among the staff—somewhat emphasized by several popular members.

Let us note, now, how these desires and circumstances figure when the speaking falls into the pattern of a debate. The proponent of "sabbatical" allowances for the educational

specialists began by stating three reasons for his solution, namely—

1. It would give special leeway for the “policy makers” on the staff, for the persons on whose initiative and resourceful thinking the whole program of the company depends.

2. It would give outstanding men in the organization opportunity for extended contacts with people of leadership in similar work in this and other countries, with the effect of keeping the organization creditably before the public eye.

3. It would put the vacation policies of the company on the same basis as those of universities—with added dignity to the service.

These reasons, it will be seen, amount to little summaries of the various claims and circumstances—viewed *in the relative importance that they had assumed in the mind of the speaker*. The effect on the committee of getting this sort of start was to start a split between the members who were disposed to see the situation this way and those who saw it differently. Their talk ran in terms of pros and cons, each side trying to swing over the doubtful members and get a majority vote for its view. The resulting pattern of debate, therefore, shapes up as follows—

- (i) *A proposal* is brought up as somebody’s view of the best decision in the matter. It has been thought out as resting on a sort of logical trestle-work, with main contentions resting on sub-contentions, which in turn rest on evidential facts and testimony.

- (ii) *Argument* in which the “speakers for” proceed to fill out and strengthen the logical supports of their solution, while the “speakers against” try to demolish their case, with a view to substituting a rival solution.

- (iii) *Decision* by a majority vote, either *for* the proposal (or some amended equivalent) or *against* it.

The outcome of a debate, it is evident, leaves one or more conferees (with the people they are representing) in the position of a defeated minority. The decision, that is, minimizes and slights certain desires as not being numerically supported by

a count of heads. This, of course, hurts the morale of an organization. In the case here observed the hurt began to look serious before a vote was reached, so that the committee decided to drop the argument and take a fresh start. The organization, they felt, required whole-hearted cooperation in getting out the work, and if people were to be work-mates their wishes must contrive to be bed-fellows and stop kicking each other out of the crib. The right start, therefore, would be one which made a point of getting all the pertinent wishes really understood.

With this idea in mind the chairman began by asking each member of the group: "How does this matter of possible additions to vacation allowances touch the people that you are here to speak for?" At once he began to get responses that showed where the hot spots were in the situation. The various interests at stake seemed easier to get at, when the committee was taking the attitude of inviting each to speak for itself and to satisfy itself that it was "registering" in the total picture. Even jealousies and felt discriminations could be mentioned when they were assumed to be appearing not as faults in persons but as the *natural results of the given circumstances*.

Having gathered in this way the reactions of the staff to the issue thus viewed as a disturbed situation, the committee tried to sharpen up the specific problem that was involved. It could see that *under the circumstances* certain claims for one group seemed incompatible with claims that were being made for another group; that, for example, you could not devote your funds to furloughs for educational specialists without leaving the business and clerical groups feeling themselves treated as people from whom bright ideas were not expected—as not needing furloughs because their thinking did not matter. This and other complications meant that the committee had to deal with people's differences in a spirit of human engineering. It had to get the various parties to the situation to look at the facts in ways that would invite more discriminating claims, with the hope of reaching an agreement that would gather up the essential desires of all. The procedure by which

it did this was a real expression of a "group-thinking" process. Its pattern—the pattern of *discussion* in contrast with debate—could be set out as follows—

(i) *Testimony from experience* that gets out what the members feel to be vital in the matter.

(ii) *Recognition of the problem* or difficulties that it involves.

(iii) *Dealing with disagreements* in people's suggestions for solving it (1) by getting data on points of fact, and (2) by seeking discriminations on points of desire.

(iv) *Reaching an agreement* or understanding that gathers up what is essential to each conferee.

What we have here is evidently a sort of psychological outline for discussion, just as a brief is a logical outline for a debate. A discussion aims from the first to reckon with people's feelings as well as with their thinking. It expects them to get together both in their views and in their wishes. Where a debate shows a *proving* process in which a conviction is "put over" by some members on others, a discussion shows an "approving" process in which a conviction is *developed* by all the members, and gains something from the differences that they began with.

In such a process, then, the leader has as his first responsibility the maintaining of the group-thinking pattern. I do not mean that he should do this pedantically. The members should not feel that their thinking is being regimented. But where they deviate from this thought sequence, they should *know* that they are doing so, and for what reason, so that at each stage the speakers can see where they are with the issue, and whither the talk is moving. Only so will they end with a feeling that the talk has "got somewhere," and that the agreement is a sound one—*made* sound by a real mutual testing.

Besides "maintaining the pattern" the leader has two other responsibilities. He must keep the whole situation before each conferee; and, odd as it may sound, he must keep the whole conferee before the situation. The second of these two responsibilities is a peculiar one. Suppose we begin with that.

**Keeping the Whole Conferee Before the Situation.** It is clear that the chief difference between discussion and debate is the

close concern which the former pays, to emotions and interests where debate stakes its whole effort on logic and the cogency of facts. Discussion, with its "engineering" approach to an issue, realizes that a man reacts to a life situation with his whole personality, not simply to the "facts" with his intellect. In conference, therefore, where the situation is dealt with, we want to get the whole man adjusted, and not "a man convinced against his will." This means that we want all the help that psychology can give us in sensing the states of mind that are before us in a conference group. Indeed, we need almost a new imagery in order to picture the real inwardness of a conference job. There may be some help in the imagery suggested by a passage in a recent little book which tries to picture the mind's total reaction in the reading of poetry. You may feel it a bit reckless to apply what is said in such a passage to the experience of group dialogue, but I shall make the venture of quoting it as a depiction of the mind of a conferee -

Our thoughts are the servants of our interests, and even when they seem to rebel it is usually our interests that are in disorder. Our thoughts are pointers and it is the other, the active, stream which deals with the things which thoughts reflect, or point to. . . . The active branch is what really matters; for from it all the energy of the whole agitation comes. The thinking which goes on is somewhat like the play of an ingenious and invaluable "governor" run by, but controlling, the main machine. Every experience is essentially some interest or group of interests swinging back to rest.

To understand what an interest is, we should picture the mind as a system of very delicately poised balances, a system which, so long as we are in health is constantly growing. Every situation we come into disturbs some of these balances to some degree. The ways in which they swing back to a new equipoise are the impulses with which we respond to the situation. And the chief balances in the system are our chief interests.

Suppose that we carry a magnetic compass about in the neighbourhood of powerful magnets. The needle waggles as we move and comes to rest pointing in a new direction whenever we stand still in a new position. Suppose that instead of a single compass we carry an arrangement of many magnetic needles, large and small, swung so that they influence one another, some able only to swing horizontally, others vertically, others hung freely. As we move, the perturbations in this system will be very complicated. But, for every position in which we place it, there will be a final position of rest for all the needles into which they will in the end settle down, a general poise for the whole

system. But even a slight displacement may set the whole assemblage of needles busily readjusting themselves.

The mind is not unlike such a system if we imagine it to be incredibly complex. The needles are our interests, varying in their importance, that is in the degree to which any movement they make involves movement in the other needles. Each new disequilibrium which a shift of position, a fresh situation, entails, corresponds to a need; and the waggings which ensue as the system rearranges itself are our responses, the impulses through which we seek to meet the need. Often the new poise is not found until long after the original disturbance. Thus, states of strain can arise which last for years.<sup>1</sup>

The pertinence of all this lies in the fact that discussion is essentially a process through which the unadjusted interests in a situation find a new equilibrium. And since each spokesman for an interest involved therein has his own mind zoned off into sub-systems of interests (sub-systems created by his own special experience and relationships), it is not always clear *how much of him is speaking*: what mere segment of his personality has cut loose as a "zone of response." His remarks at any point may express, not the essential point of view that he is representing, but his personal role as a smart debater or his hurt self-esteem as one of a humbler employee group. The leader, therefore, needs to pay attention to the sorts of response people are getting from one another. And even where people bring their full nature to bear, he needs some clue to the attitudes and interests that most count in the matter under question. If there are twelve committee-men in the meeting, you cannot just say to yourself, "Many men, many minds," and sit back to entertain twelve different points of view. You must ask yourself, "What are the *characteristic* states of mind toward this situation?" Indeed, you should try before the meeting to *forecast* what are the "points of view" in this pertinent and restricted sense.

Most easy to note for each point of view is the relative appeal of the different interests which are at stake. Each conferee has one or more desires which for him are vivid and important, one or more on which he can be "warmed up," and one or

<sup>1</sup> I. A. Richards, *Science and Poetry*, New York (W. W. Norton & Co.), pp. 22-25.

more (vivid enough to other conferees) to which he is unresponsive. The leader's problem in a discussion where people are divided over what they want is (a) to get wants really *grasped* where they are found unappealing, and (b) to get wants *modified* where they are in conflict. To this end it will help if he prepares a sort of weather map of the likely states of mind to be reckoned with—one that suggests the questions which will lead the conferees to take *evaluating* rather than *espousing* attitudes towards what they want.

Thus in the particular group here observed the leader soon noted that although twelve people were taking part, there were only three essential points of view—essential, that is, as representing the “sub-systems” of magnetic interests which had been stirred into “disequilibrium” by the present situation. These points of view can be displayed in a tabular scheme, with the interests listed at the left, and at the right the queries that suggest how these interests might be *modified* without anybody *giving them up*. Thus—

LEADER'S "MAP" OF EXPECTED POINTS OF VIEW\*

What interests are involved ?	What modifying can be sought ?
1. <i>College sabbatical point of view</i> Leisure for creative thinking + a Leaders brought before public b Growth in competency c Also g, in part — Interests d and f not appealing	{ For those { in certain “responsible positions” { in whatever position who show power { Is the need more time or more flexible schedule ? In the present job or for advancement to a new job ?
2. <i>Personality rights point of view</i> Leeway to round out interests + d Compensation for faithful service e Avoiding of work-caste lines f Also g, h — Interests b and a (as stated) not appealing	How far is the employing organization responsible ? Is this needed for <i>interested workers</i> ? By ignoring differences or by contriving opportunities for routine workers
3. <i>Mental hygiene point of view</i> Escape from job ruts + g Recuperation from cumulative h strains Also a, d, f — Interests b, c unappealing	Find new resources for growth on the job ? Deal with this by provisions for special leave ?

The speakers who took what is here called the “college sabbatical” point of view wanted to see any added time off given to the employees of special skill and leadership, so that



they should have leeway to do "creative thinking" for the benefit of the company. Those on the other hand who took what is here called the "personality rights" point of view, dwelt on the number of people in the organization who had blind-alley jobs—the people that were confined, using only parts of their personality. Humanly it seemed due to such people to assure them time allowances to develop satisfactions outside the job that they could not find inside it. There was also here the thought of compensation—of a sort of vacation bonus for faithful service records. These speakers were strong on the idea that you should avoid drawing caste lines in your time-off provisions. With this point of view they would hardly warm up to the importance of bringing leaders before the public. Their minds were on matters of personal feeling within the office.

The third was a "mental hygiene" point of view. Two or three people present urged that mental hygiene now made possible a study of the specific strains and fatigues that were incident to each type of job, and that times-off should be apportioned according to schedules that could be scientifically worked out.

In the right-hand column of the table are jottings which a leader would make opposite each point of view, as to the questions in conference that would invite changes in it. Notice how the leader can expect to use them. Where the conferee takes the "sabbatical" point of view, he can ask: When you say "added time for creative thinking," do you mean creative thinking as defined by what you expect from the nature of the jobs that people hold? Is it people who fall into a certain organizational class to which time should be allotted on this score? Or do you stand ready to allot time to any person, from whatever level of the organization he comes, who has a project with some creative promise in it?

There you have a distinction that makes a lot of difference to the people in business and clerical jobs. Taken one way it means they are not prejudged as people whose thinking does not count.

In framing such questions the leader remembers that there

are three ways in which a man's attitude towards any given interest may be *modified* without being *balked* or *defeated*, namely—

1. He may come to discriminate what he really wants, where he had begun by including non-essentials.

2. He may become willing to pursue what he wants by different *means* from those he at first had in mind.

3. He may come to shift his concern from one want to another which at first had seemed less vivid and important.

And in the measure that each conferee gets his interest thus adjusted, the whole magnetic constellation of interests that are involved in the matter—with their zones and sub-systems—are brought into a new and fruitful equilibrium.

**Keeping the Whole Situation Before the Conferee.** We have seen that the second responsibility of a discussion leader is occasioned by the various "zones of response" in the speaker. A man's talk may be expressing not his really significant point of view, but some segment of himself—some egoistic impulse of defense or display, some prejudice out of his personal background, or some fixed idea or attitude impressed on him by his social "set." A third responsibility of the leader is occasioned by difficulties in the speaker's "span of attention." Where the matter under discussion shows a number of interests calling for adjustment, each conferee is under a special strain to get them all before his mind's eye. Having his own strong preferences, he tends to react towards the whole matter as if it had to be a question of getting *either* what he wants *or* what another wants, when the question is really one of getting an *adjusted situation* which will duly recognize *both* what he wants *and* what the rest want. How, then, can the leader help him preserve the necessary evaluating and engineering attitude towards the whole situation?

In the time-allowance dispute, for example, a speaker who felt strongly the advantage to the organization of getting its leaders before the public was disposed to assume that added vacations must be allotted *either* for this purpose *or* in a way more satisfying to employees not reckoned as "leaders." But

as we have seen, it is precisely the job of group-thinking, at the third step in its process (see page 132), to deal with such disagreements in ways that *reduce* the incompatibilities among the purposes and wants *as at present conceived*. The problem here is largely that of getting the disputants to *tie their uses of facts in with discriminations of desire*. They find it hard to do this because it is hard to view *all* the desires in such relations as draw attention to "both—and" possibilities between them instead of "either—or" choices. This is especially true when a number of diverse interests are involved in a somewhat complex set of circumstances. The leader, then, has here a special task to keep the total picture before his group.

A practical device for the leader at this point is to list on a blackboard the alternatives of action that are being urged, arranging them up and down a scale between certain contrary extremes, and then display, in a parallel column, the interests and desires as these appear in the *reasons* that are being offered for these alternatives. The result in the "time-allowance" dispute was a tabulation somewhat as follows—

TABULAR VIEW OF ALTERNATE COURSES

<i>Special Claims of the Work</i>	
(Interests)	(Proposals)
Need of initiative in policy-makers	} Regular furlough for leader's group classed as "professional"
Advantage to organization of having its leaders before the public	
Opportunity for growth in competency	
Compensation for faithful service	} Special furlough contingent on
Freeing minds from job ruts	
Recuperation from accumulated fatigues and strains	
Self-respect in routine roles	} Regular furlough for a staff group defined by seniority
Enlargement of interests and satisfactions	
	Specified extra contribution from worker of any group. Plus capacity of worker with minus opportunity on the job. Special individual need in any group

*Special Claims of the Individual*

Such a table suggests the key questions by which the conferees are helped (1) to make modifications in their own desires, and (2) to seek agreements on the basis of expected *developments*.

in the situation such as shall turn out favorably for all parties to it. They could be asked, for example, how far *special* furloughs, on the basis of specified *projects*, might provide *both* for getting the "leaders" before the public (interest *b* in the table) *and* for recognizing "routine" workers as eligible to undertake projects worthy of time allowances (interest *g* in the table). The question invites some discrimination and modifying within these two interests, since the spokesmen for *b* had started by assuming that *all* employees who were classed as "professional" were thereby to be rated as "leaders," and the spokesmen for *g* had assumed that business and clerical employees must not only be *eligible* to furloughs as individuals, but *get* them as a group in order to feel the plan satisfying to their self-respect.

In all this it grows evident why group-thinking makes so much of psychology where debate makes much of logic. It recognizes that what is going on in the emotional adjustments among a conferee's interests is more important than the logical consistency of what he happens to be saying. His confused remarks of the moment may be a little verbal smoke-screen behind which he is decorously engaged in changing his mind! The group leader should note any symptoms of this sort, and check any heckling that interferes with the process. The aim of all the talk is to get people really together and not to leave them in various states of ego-inflation or chagrin as successful or unsuccessful debaters. All the interests, as first expressed, are likely to be somewhat set and ingrown. What the conferees are seeking together is a solution in new experience that will make them more fluid and dynamic. Thus in the time-allowance discussion everybody began by construing rather statically the interest in having a "liberal" plan, as if the company could be liberal in but one way—by apportioning more bountiful chunks of time-off all along the line. As they went on in their study of the alternatives, they realized how much of people's sentiments and satisfactions in any plan turned on provisions by which they would share in defining its purposes and checking up on its performance; so that a plan might be "liberal" in the way

it set up conditions for a progressive growth of employee participation in it.

So large and far-reaching an issue as a furlough policy affecting a numerous staff for a period of years was, of course, not settled in this one meeting which has served us for concrete illustration. But we have followed its course far enough to see that the committee was dealing with its differences in a way to reach a really "integrative" agreement. The leader in such a process must evidently command a new technique of chairmanship. He must be a sort of psychological bandmaster, seeing that the others play up to the best that is in them to give, and that they preserve the conditions of thought by which dispute can resolve in an orchestration of desires.

### QUESTIONS

- 1 What is the process of "group thinking"?  
How does it differ from debate?
- 3 What is an engineering approach to a conflict of interest?
4. How are conflicting interests brought into a real accord?
5. What is the chairman's part in the group process?

## CHAPTER X

### THE PART OF IMAGINATION IN LEADERSHIP<sup>1</sup>

THE topic we are to consider is a difficult one. Everyone, it is true, has a fairly definite idea as to what imagination means—to *him*. And yet few of us, I fear, if pinned right down to it could tell with clarity and satisfying reality just what imagination means.

In the field of statescraft, what makes John Bright, Cobden, Gladstone, Clay, Jefferson, stand supreme? Why do Adam Smith and John Stuart Mill hold the unique place they occupy in the history of economic science? Why especially do a certain few poetical geniuses live through the ages while the many are forgotten?

In these, and many more illustrations we might cite, is there any common element, any particular characteristic, any dominating motive, that causes competent critics to agree that these certain individuals are endowed with a particularly high order of creative ability?

It is my present conviction, it was my conviction last summer when I decided to offer this course, that the need of a certain type of leader is the most urgent need of the world today. This need is universal. It is evident in the many conflicting criticisms of our entire educational system. It is evident in the lack of coordinated thinking in the world of science. Industry, in every advanced industrial nation, needs a new creative type of leader. In local, state, and federal, as well as in international relations, never perhaps has the world been in more crying need of new leaders.

It is a fair question to ask: What is our course contributing to a knowledge of the *kind* of leaders men are everywhere seeking?

The seeming mystery of personality has been an age-long lure.

<sup>1</sup> Henry C. Metcalf, Director, Bureau of Personnel Administration, New York City; Co-author, *Personnel Administration: Its Principles and Practice*.

Valentine, in his *Psychology of Personality*, says: "We are forever lured and intrigued by the seeming mystery of personality. Half the world is busy judging that of the other half and every individual is primarily interested in his own. The word is foremost in the language of employing officials. Psychologists and personnel experts are experimenting with a hundred scales and devices for measuring it. In every form of social, commercial, and industrial enterprise, indeed, wherever the human factor plays a part, the question of personality is insistent." On the other hand, Everett Dean Martin, in *The Meaning of a Liberal Education*, shows how, 'according to the Behaviorist School of Psychology, personality is minimized. "Any hereditary differences of capacity of or teachableness are negligible. All individual traits are reducible to conditioned reflexes which are what they are because of the coincidence of certain stimuli. Social change is said to be the product of impersonal economic forces, and progress the result of mass action. Thus the Great Man at best only represents the mass tendencies of his time. Even for discoveries in science and creative achievement in the arts, the mass is given credit although it may have resisted these things when they were new. But our existence is not measured by what we can get or what we can do, but by what with our getting and doing we may *become*."

In this universal study of personality and environment what is the particular role of imagination? What is it that calls forth the acclaim, the adulation that grows with time and becomes the most precious possession of our social heritage, namely, the uniqueness, the sacredness of certain personalities? Concretely, and at heart, when all the realities are laid bare, what is it that almost over night put Colonel Lindberg into the heart of humanity? What is it that since his historical flight has enhanced his uniqueness?

In the January *Yale Review*, 1928, is an interesting article entitled, "A Revival of Personality." The last paragraph of this article reads as follows: "Man, it has been said; rises above the other animals by his dreams; to cover the whole truth, one should add—and by his ceaseless endeavor to make

them come true. So, likewise, he rises, and will always rise, above the mechanisms he creates. It is the part of the hero to achieve an unrealized dream of the race: and soon or late, with grudging satire or with uncritical adulation, he will always be acclaimed. We may be certain that the game will be up with humanity when in sober fact as well as in fiction there are no more parades."

It is a chief function of the creative imagination to construct working hypotheses. The lack of a creative, disciplined imagination is the gravest handicap in business today. Too much so-called business leadership is nothing more than *imitation*. President Wilson, in addressing a body of business men, once declared that the habit of imitation is the most impoverishing habit the American business man has. How true this statement is every student of scientific human engineering well realizes.

The entire history of the old welfare movement, the efficiency movement, the corporation schools movement, the health and safety movement, the employment management and personnel movement, scientific management in major measure, the present whole business organization and management movement—all these movements are largely a copying, an adaptation, or imitation of what a few creative minds have originated.

The mass of the workers of the world are demanding with increasing earnestness a more secure economic independence. No man, as the world is constituted today, is free who is not *economically free*. The peace of the world literally depends upon the expanding realization of such economic independence. One urgent aspect of this individual economic freedom is the assurance of freedom from want in old age. But glance at the present status of the old age pension problem in American industry, in our civic life, in our federal personnel, in our educational institutions! Look at the inadequacy, instability, futility of practically all the pension plans in America—fraternal, industrial, governmental. Why is this so? Primarily because in this, as in so many other business problems, our industrial leaders have been imitators. We have lacked a creative imagination.



No industrial group of employers, perhaps, is more puzzled over the old age pension problem than our railway executives. Years ago, when the English railway leaders had abandoned certain pension principles because long-tested experience had proven them false, our American employers, not noting the then futility of the English railway pension plans, proceeded to copy them and build our railway pension plans on these false principles. We are just now reaping the costly fruits of this habit of blind imitation.

The leadership responsibilities of the chief administrators of industry today are colossal. They cannot be evaded without sure disaster. As I have stated elsewhere—

Because of the power they possess through ownership, experience, legal sanction, the force of competitive sifting, personal worth, responsibility for making industry scientific, human and socially serviceable, the administrators, the top executives—the future leaders of industry are the chief institutional guardians of the industrial and commercial plants of the community. They must increasingly become the central directing current of the business system. They should stimulate, guide, and guard for the community's organic welfare the wealth-producing energies. With faith in the potentialities of the common man they must inspire all groups to work effectively together. They must hold out the common hope of expanded opportunities. They should nourish a real and convincing community of integrated, expanding interests. They should engineer their projects toward a continuously evolving realization. Conscious of their great opportunities and the expanding responsibilities society has intrusted to them, they should ever strive to embody economic, psychological, governmental, legal, and political wisdom, in a word be philosophers of life. Our future industrial leaders must see the whole organic business system as the central and all-correlating fact of modern history, a thing of spiritual portent, the rule of servants.

Now this “central all-correlating fact,” this “thing of spiritual portent,” is the creative imagination.

One major opportunity for business administrators to reveal their constructive imagination is in the field of general business policy and policy-making. This is the first basic need of any soundly organized business, and yet very few of even our best built businesses have clearly recognized the importance of clear-cut policies and the educational values in formulating and executing guiding policies.

Clear distinctions between policy determination, which is a major administrative function, and policy application, which is a managerial function, are too commonly not clearly understood and carried out. The necessity for, and possibility of, the application of scientific method in both these closely interrelated problems is only dimly perceived. Here is an opportunity for the exercise of real imagination.

The broad purposes of policies as a corporate affair in establishing objectives for the business as a whole and for its several major branches; defining general principles<sup>1</sup> to govern executive management in achieving these objectives; serving as the main basis of the paramount problem of business coordination, i.e. providing a common, central goal for the several departments; and providing standards to guide executive action—these and other far-reaching policy purposes demand scientific insight and comprehensive treatment.

Many vital questions confront every sincere executive in his problems of policy-making. What is the field for policies? What should be the scope of each policy? How control policies so as to avoid cramping initiative? Who should determine policies? Should policy determination be framed by a group or should individuals have authority to determine policies? What systematic research is necessary in order that policies may be adequately based on facts? How communicate policies from policy-makers to those responsible for policy execution? What is the true meaning of the term "policy"?

These and many other questions will occur to the executive who is in charge of any one of our modern mergers, retail chains, holding companies, and far-flung corporations, where there is urgent need for the exercise of a sober, constructive imagination and sound judgment in forming and executing policies.

I know of no opportunity in the business world at the present time where the leading executives can exercise a creative imagination with greater profit than in this "central all-inter-relating fact" of policy determination and policy application.

We might cite many definitions of this term "constructive imagination." I am going to content myself with but one, because this is the only one from a long list that satisfies; that seems to me to meet the needs of our analysis and help us shape the direction and define the goal I would have our conferences take. You will find this definition on the last page of Dr. Dewey's instructive little volume, *How We Think*. Dr. Dewey says: "The imagination is not necessarily the imaginary; that is, the unreal. The proper function of imagination is vision of realities that cannot be exhibited under existing conditions of sense-perception. Clear insight into the remote, the absent, the obscure is its aim. History and literature, and geography, the principles of science, nay even geometry and arithmetic, are full of matters that must be imaginatively realized if they are to be realized at all. Imagination supplements and deepens observation; only when it turns into the fanciful does it become a substitute for observation and lose logical force."

Dr. Dewey follows this fine *definition of imagination* with the following illuminating example—

The "matter" of materialists and the "spirit" of idealists is a creature similar to the constitution of the United States in the minds of unimaginative persons. Obviously, the real constitution is certain basic relationships among the activities of the citizens of the country; it is a property or phase of these processes, so connected with them as to influence their rate and direction of change. But, by liberalists it is often conceived of as something external to them; in itself fixed, a rigid framework to which all changes must accommodate themselves.

A. Wyatt Tilby, in his *The Quest of Reality*, says—

Imagination or mental vision is the peculiar prerogative of man, and the greater the man the greater the imagination. This unique faculty always follows the strongest—that is the most used—channels of personal sensation, and all imagination is at bottom a perception and seizure by the consciousness of an unseen world, in advance of proof, or independently of proof, of its reality.

Now all imagination is a form of genius—the perception and appreciation of an unknown world which it may create or people for itself—but all genius is not imagination. It is true that there is a strain of imagination even in the austere theories of science and philosophy and mathematics, but when the conclusions of the pioneers in these fields are accepted and ratified by others, they rank no longer as imagination but as anticipation and prevision of the truth.

But in this category of genius it is less the quantity than the quality of the perceptions that differentiates the normal from the supernormal; it is not so much an enlargement of the physical senses as a deeper penetration by their mental extensions. Genius may sometimes see more of ordinary things than the ordinary man, but also it sees deeper into things. The actual message from the external world may be very much the same, but the content of the message will be translated into entirely different language.

Let me in summary briefly outline what seems to me the fundamentals or the evidences of a creative imagination—

1. The power of vision, penetration, insight. Not only what can I *do*, but how far can I *see*.

2. What Dr. Dewey calls "a theory of criticism," that is, a method of discriminating among goods on the basis of their appearance and of their consequences. This ability really calls for a scale of life values.

3. A creative imagination is the human energizer. It is impassioned truth, best illustrated perhaps in poetry and oratory. Poetry is impassioned truth. It is man's thoughts "tinged by his feelings." So is eloquence. The word "energy" comes from *energos* and means, literally, at work. The true meaning of the word "energy" is found in nature processes.

The creative imagination keeps close *companionship with nature*. It lives with and senses the power, the slow, evolutionary forces nature eternally works with. This communion with nature is a common characteristic of the truly creative poet, scientist, orator, educator, or statesman. Coleridge's *Ancient Mariner*, Wordsworth's *Prelude* or *Growth of a Poet's Mind*, Dr. Patten's *Grand Strategy of Evolution*, the orations of John Bright or the state papers of Wm. E. Gladstone and Woodrow Wilson, attest the truth that a man truly finds himself only when he discovers his relations to nature processes as well as to his fellow men. Professor Pupin tells us: "Indeed, it may be doubted whether the real life of science can be fully felt and communicated by the man who has not himself been taught by direct communion with nature."

4. A creative imagination senses *organic relationships*. It not only sets a goal, defines the direction one must move in order

to attain the goal, but it sees things whole, in a state of *rightness*, in the light of reality. It is "an assimilating energy." "It pierces through dissimilarity to some underlying oneness in which qualities the most remote cohere."<sup>1</sup>

5. The constructive imagination feels a *responsibility for the community welfare*. It shares its cares. It determines its line of action. It represents, embodies its intellectual and spiritual tendencies. It is wedded to, identifies itself with, some special cause—Cobden and John Bright with the forces of free trade; Gladstone with liberalism in politics and in religion; Hamilton with a sound federal financial policy and a governmental administrative structure; Lincoln with a united people; Wilson with world amity and peace bedrocked in principles.

6. The creative imagination *illuminates*. It has the faculty of expression. Tucker of Dartmouth, Eliot of Harvard; Patten and Pupin; Faraday and Franklin; Burke and Bright; Gladstone, Lincoln, and Wilson all display a unique power of expressive illumination.

7. The creative imagination draws its nourishment in great measure from the biological give and take of nature as a great cooperative process and formulates the hypothesis—in the words of John Stuart Mill— that there is not a more accurate test of the progress of civilization than the progress of the power of cooperation. The great school of cooperation in practical life is the division of employments. The business administrator who truly wants to know the basic laws of cooperative endeavor or creative coordination, will stretch his imagination in penetrating the secrets of the nature process. There is no more fascinating study.

8. Mental sincerity is a mark of the master mind. "Men become great by going their own way, thinking their own thoughts, doing with sincerity and intensity their own work." By so doing, it is true, they are often lonely, misunderstood, and cast aside by their contemporaries. But there is no right more divine than the right to create, to initiate.

9. The creative imagination is wedded to a *body of guiding principles*. Our present course, and the two previous ones, have given major attention to the importance of research. This is as it should be. The facts of a situation must be known. The trouble with most research is the narrow vision of the investigator.

The wise leader knows there must be a comprehension of the meaning of the facts and a genuine consciousness throughout the entire organization—whatever it may be—of the moulding influence in the direction of sound business principles, in the direction of the goal we are striving to reach. Facts are but means to some 'preconceived end.' The chief concern of the true leader is an organic whole. He is concerned with a *process* in which the environment first acts upon the man, and then the man reacts upon the environment. The prospectively imaginative leader sees this integrated evolving process as a whole. The power of Adam Smith's *Wealth of Nations* is due to his ability in bringing to us a comprehensive view of the philosophy of the wealth of nations, combined with a unique power of concreteness, of lucid exposition based upon facts. He had the rare capacity "to see things in both their general and abstract and their immediate and concrete relations."

10. Finally, a bent for *philosophical generalization* is a trait of the creative mind. This point is vital. The great chemist (Berthelot), the great mathematician and logician (Poincare), the great physicist (Pupin), the great statesmen (Bright, Gladstone, Lincoln), the great educators (Eliot, Wilson, Tucker); these men are not *first* great chemists, mathematicians, physicists, educators, etc., and *then* turned philosophers—not at all. It's the philosopher who inspires and through the creative imagination directs the chemist, mathematician, educator, etc. The philosopher erects out of the shattered and scattered beliefs of others something that to him is a reality. He has faith in the unity of natural laws. He sees something greater than science. With a spiritual insight he penetrates the unknown.

**Summary.** The power of vision, penetrating insight; a scale of values or a potent "theory of criticism"; impassioned truth; sensing organic relationships; wedded to a great cause,

a part of nature's cooperative covenant; transparent mental integrity; devoted to guiding principles (moral virility) and the power of comprehension or philosophical generalization—these are the distinguishing marks of the creatively imaginative leader.

Now is there any practical lesson in all this for business executives? I think so. The executive leader with a sober, constructive imagination will have a goal: he will develop a policy designed to guide his coworkers in the direction of his goal. He will have a plan. He will know *where* he is headed, the *direction* he is to go, *why* he is headed East and not West, and *how* to get there.

He will see his administrative task as a whole, as a unit. In his plan all the parts will be harmoniously adjusted and *gradually evolve* toward his goal. He not only *sees* clearly, he actually *feels* the spiritual cooperative forces he is dealing with both inside and outside his plant. Moved by a keen sense of justice, he will be sensitive to the balanced, just, harmonious relations inhering in all his productive forces—materials, machines, mechanisms, men. He will realize that *only* as he keeps in harmony with law—with the biological give and take of the nature process—can he hope in the highest sense to win out.

He will strive to give and to get from managers, stockholders, customers, competitors, coworkers, governmental bodies, that which accords with the laws of reality—*rightness*. In a word, he will strive to become a business philosopher.

### QUESTIONS

1. In the leadership problem, what is the chief function of creative imagination?
2. Who should determine business policies, and why?
3. What are the broad purposes of policies in corporate affairs?
4. What are the best evidences in business of a creative imagination?

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## CHAPTER XI

### THE BUDGET AS A MEDIUM OF EXECUTIVE LEADERSHIP<sup>1</sup>

A TIME study and a budget represent different aspects of the same thing, an estimate. When Frederick W. Taylor first advocated the use of time study in setting bonuses and in planning and routing work in the factory, most of the people who heard him and *understood* him said his plans involved too much detail and added too much to overhead costs, that they were beautiful in theory but impracticable. The people who heard him and *did not understand*, said, "Fine!" and immediately proceeded to apply the term, time study, to the same old averages of performance and guess work estimates they had previously used.

The advantages of a time study over an ordinary estimate of time is (a) the job analysis—that is, breaking the job into its component parts and studying each of them separately; (b) the method of studying—that is, studying the conditions and methods of work in their interrelation. Standards are set with reference to prescribed conditions. The same difference exists between a popular and a scientific budget with the added confusion, in the case of the budget, of calling both by the same name. As a preliminary to what I shall say with reference to the budget as a medium of executive leadership, I shall first review briefly the present general practice in the use of budgets, and, second, suggest certain refinements which add very much to flexibility.

**Present General Practice in the Use of Budgets.** Budgets differ from estimates and forecasts principally in form. They are used in industry primarily in making appropriations, in determining policies, and controlling expenditures.

*In Making Appropriations.* Where there is a prescribed

<sup>1</sup> John H. Williams, Industrial Engineer, New York City.



sum of money for certain general purposes which must be expended under different responsibilities, the person in charge of each responsibility is required to make a separate budget. These budgets are then considered in the light of the relative importance of the different responsibilities. After being revised so as to bring the proposed expenditures in relation to the relative importance of the different responsibilities, the budgets are used for control of expenditures.

*In Determining Policies.* To compare cost of distribution, say of milk or bread by horse-drawn wagons and by automobiles, and possibly by post or through an outside delivery agency; to determine relative desirability of putting more salesmen on the road or increasing direct by mail and periodical advertising; to determine the desirability of producing something now being bought. In the case of all such budgets, certain factors, such as the amount of sales to be expected under different conditions, must be assumed, but budgets are usually made to show what can be expected under minimum as well as reasonable expectations.

*In Controlling Expenditures.* Budgets for this purpose are usually more detailed than those for other purposes. The items preferably are grouped according to the accounting classification to which they will be charged. The persons in a position to effect economies in the different items usually participate in making the figures for the budget. The principal difficulty with budgets for this purpose is that general economic conditions, styles, good or bad weather, etc., may so change the conditions upon which the budget is predicated that by the time actual expenditures are available for comparison the budget is more or less useless.

The questions most often asked with reference to budgets are: What sales quota should be used in making a budget, and how can one compare budget and actual figures where circumstances have materially changed since the budget was made? The conventional answer to these questions is that you must, of course, base your budget upon whatever sales you feel reasonably assured of making, and that you must re-figure your

budget whenever conditions change from those upon which the budget was based.

**A Flexible Budget.** Working out more satisfactory answers to the foregoing questions has led to some interesting developments in the use and effectiveness of budgets. These questions both resolve themselves into the necessity for a budget which is applicable to different and changing conditions. This has been met by making the original budget in *items or, we might say factors, rather than in totals*, and by not computing a budget which is to be compared with actual figures until volume of sales and all other conditions are known.

Roughly speaking, we make our budget in terms of per ton, per yard, or some other unit of measurement, but always in terms of two elements—

*Fixed cost*: that part of cost which exists irrespective of fluctuations in volume of business within a range of the smallest probable volume of business up to the practicable capacity of the business; and

*Variable cost*: that part of cost which should vary in proportion to the volume of business done.

As a practical illustration, suppose you want to include in your budget the cost of paper and printing for a one-page circular, but do not know how many circulars you may use. You might get an estimate from your printer, for so much for the first thousand, say \$15, and so much for each additional thousand, say \$5. Deducting \$5 representing the cost of an additional thousand circulars from the \$15 representing the cost of the first thousand, we get \$10 as the "fixed" cost and \$5 per thousand as the "variable" cost. Following this general procedure it is possible to determine a fixed and a variable cost and a practical unit for computing each item of the budget. When this has been done, it will readily be seen how both the advantage of making the budget in advance of the expenditures, yet computing it on the same basis as the expenditures, may be achieved at one and the same time.

In practice, we have found it necessary to create *one* formula for determining the "fixed" and "variable" cost for *all* items

used in the same budget, otherwise it is impossible to prove the work. Following is a copy of a formula I worked out for this purpose in 1921 in connection with a very interesting situation—

### METHOD FOR DETERMINING BUDGET FIGURES FOR ITEMS WHICH DIFFER IN VARYING PROPORTIONS ACCORDING TO THE BUSINESS DONE

#### FORMULA

Determine largest and smallest probable volume of business (expressed in dollars) and the cost, of the item in question, for each such volume.

*Per cent Variable Cost.* Difference between largest and smallest cost, divided by difference between largest and smallest volume.

*Fixed Cost.* Either largest or smallest volume, less Variable Cost for whichever volume is used.

#### EXAMPLE

		<i>Volume of Business</i>	<i>Cost</i>
Largest	.	\$400,000	900
Smallest	.	200,000	700
		<hr/>	<hr/>
		\$200,000	200 (.001)

The .001 represents the relation of the variation in *cost* to the variation in *volume* or the *Per cent Variable Cost*.

Total Cost on Sales of \$400,000	.	\$900
Variable Cost (.001) on Sales of \$400,000	.	400
		<hr/>
<i>Fixed Cost</i>	.	\$500
Total Cost on Sales of \$200,000	.	\$700
Variable Cost (.001) on Sales of \$200,000	.	200
		<hr/>
<i>Fixed Cost</i>	.	\$500

#### APPLICATION

*Question.* If the volume of business is \$300,000, what would the budget figures for the item in question be?

*Answer.* One-tenth of one per cent of the volume (\$300,000  $\times$  .001 = \$300) as representing the *Variable Cost*, plus \$500. as representing the *Fixed Cost* or \$800 in all.

There were a great many concerns in difficulties about that time. Some of them were actually losing money. The question was constantly put to me as to what would, or could, these

concerns make when business returned to normal. Through the application of the above formula, using the best year they had ever had as representing a maximum and the poorest year they had ever had, which in most cases was the current one, as representing a minimum, we were able to make a list of budget items in terms of fixed and variable cost from which we were able to compute prospective profits and losses on different volumes of business, and even at different commodity and labor costs.

It is impossible in one evening's talk to describe fully the making of a flexible budget, but I refer those who are interested to the *Bulletin* of the Taylor Society of April, 1922, in which under the title "A Technique for the Chief Executive," I give the only exposition of the flexible budget that, so far as I know, has been printed.

**The Budget as a Medium of Executive Leadership.** The greatest difficulty of leadership is to impart information without creating antagonism which leads to an effort to find other ways of doing the thing rather than to understand the explanation.

Up to a certain age, which is about the time of finishing one's education, most people are more easily taught than afterwards. The time when the change takes place varies. Psychologists explain that it is natural to take pride in learning so long as one is frankly a pupil, and that it is equally natural that when the pursuit of knowledge is over one should resent being given too much information. It is interpreted to imply a lack of knowledge, and is resented as depriving one of working out the problem in one's own way.

The budget, properly handled, furnishes a means of combining instruction and inspiration of creative activity which is unique. To obtain the full benefit, responsibility and credit for effective work and economy should always be given to the person in a position to effect such economies. The job of the man higher up should be to help and support those responsible for effecting economies to exercise their own authority, but not to make decisions for them.

It is here that the budget comes in. Suppose the cost of a

department, whether it be in an office or factory, has unduly increased or the quality of its work is unsatisfactory. The conventional procedure is for the executive in charge to send for the department head and show him the faults of his department. The department head has probably passed the period when his pride is in learning, and however considerate the executive may be, the focusing of attention on faults will be regarded as criticism. If the department has been budgeted a different situation exists.

The mere existence of a budget, which it is the duty of the executive to enforce, relieves him of the personal equation. With the budget in hand, he may send for the department head. In place of pointing out the unsatisfactory results achieved, and what could or should have been done to prevent them, they go over the budget together to see what can be done to bring about the desired results. This avoids the necessity for finding fault. The executive should remember that if a department head does not deserve this kind of treatment, the best thing he can do is to fire him, and put in his time on a more competent man.

You may wonder why all this cannot be done without a budget. The budget, whether flexible or not, takes unto itself the onus of the situation and puts the executive more nearly on a level with the department head. It puts them in a position of having a common purpose. This is more stimulating to the department head than you can imagine, unless you have recently been a department head and have had this experience. Also, the existence of the budget as a medium of expression of results achieved, objectifies the conversation, and there will be encouraging progress if the executive will avoid preaching and interest himself in developing the other man's ideas, rather than exploiting his own.

The situation should be developed through questions as to what are the different elements of cost involved. These should be listed and carefully considered. When the elements of cost are clear, then the maximum and minimum cost should be determined, and from these figures the fixed and variable cost

for each item separately. With this information the head of the department can readily measure his accomplishment under the exact conditions which prevail in terms of weeks or months at will. The really important thing is, however, that instead of telling him what his cost should be, you have caused him to develop them for himself.

You may say it would be easier to do the work yourself, but I want to suggest that helping others to do, rather than doing, is the essence of leadership, and that without this sort of patience and ability one had best stay in the class of doers. There are three stages in the development of leadership. First, learning; second, doing; and third, leading. The trouble is that people in the second stage want the prestige of leadership without giving up the kick of doing.

In closing I want to illustrate the flexible feature of a budget, and tell a story which may give you a better idea of how the making or revision of a budget may be used as an educational medium.\*

Costs as such do not serve the ends of management. They occur after the fact. What is needed is something that one may read as he runs. Suppose that you had to motor to Tarrytown within an hour (a distance of, say, thirty miles) on a road that you knew but with no land marks to indicate your progress. A watch would tell you if you got there in the hour, but it would not help you to determine your progress while there was still time to affect it. If, when the hour was up, you had not reached Tarrytown, you would be in the same position as the executive who does not know that his costs are too high, until the job is done. But if you had a speedometer, the moment your speed slackened to less than thirty miles an hour, even though it were in the first mile, you would know you must make up this lost time if you are to get to Tarrytown in the hour. The flexible budget is to management what the speedometer is to the motorist.

There is no one thing which to my mind is so important or helpful in the carrying out of an undertaking as the necessity for predetermination. It forces you to look before you leap.

It obviates finding yourself suspended in mid-air without having decided where to land. Predetermination is sometimes difficult and irksome, but it is fundamental to all scientific procedure. You may ask how one is to determine things which are in their very nature dependent upon other determinations not yet made. I will tell you an experience which will, I think, answer this.

In making a budget for a concern which sent out a great deal of printed matter, the head of the forwarding department said it was impossible to make a budget for his department, without knowing what he would be required to ship. Without telling him how to make his budget, I asked him a number of questions which brought out the following facts—

1. The amount of money which had been budgeted for the printed matter.
2. The average weight of such literature per hundred dollars.
3. The average distance of the places to which the material was to be delivered.
4. The cost per ton for transportation over the average distance.
5. The average size of the paper-wrapped packages, the average size of the box used, the number of average packages per ton, the number of average boxes per ton, the cost of paper, cord, and wrapping the average package, and the cost of the box and packing the average box.

With these determinations, I do not have to tell you how he arrived at his budget. These budget items as applied to the actual shipments made, came within \$1,000 of the total cost which was something over \$100,000, and very considerably less than it had cost the previous year for sending out a similar amount of material.

### QUESTIONS

1. In what ways is the budget a medium of executive leadership?
2. In what way is the budget an aid to predetermination or scientific procedure?
3. Why must the budget be flexible?
4. How does the budget eliminate the personal equation and put the executive more nearly on a level with the department head?

## CHAPTER XII

### RECORDING GROUP ACCOMPLISHMENT<sup>1</sup>

PROGRESS then must be through group process. Progress implies respect for the creative process, not the created thing; the created thing is forever and forever being left behind us. The greatest blow to a hide-bound conservatism would be the understanding that life is creation at every moment. . . .

No *individual* can change the disorder and iniquity of this world. No chaotic mass of men and women can do it. Conscious *group* creation is to be the social and political force of the future. Our aim must be to live consciously in more and more group relations and to make each group a means of creating. It is the group which will teach us that we are not puppets of fate. . . . But the same force which forms a group may form a group of groups. . . . That very same force which bound the individuals together in the group . . . goes on working, you cannot stop it; it is the fundamental force of life, of all nations, of all humanity, the universal law of being—the out-reaching for purpose of further unifying. . . .

What is this force, and how can it be generated and controlled? Such an inquiry should be as natural as the inquiries which lead to the development of the electric generator following the discovery of the nature of electricity.

I believe that there is already enough data available in existing industrial establishments to enable us to discover the nature of group activity, how to generate it, and the way to make it most effective. •

**Industrial Group Exists to Create.** The quotation with which I began was from Miss Follet's book, *The New State*, which deals largely with political groups. Her later book, *Creative Experience*, was written after she had begun to realize that the real seat of power resided not in political but in industrial groups. In a chapter dealing with the problems of management, she makes the following interesting observation—

The problem of most managers of industry is how to use their objective measurements when they get them; how to insure that they

<sup>1</sup> Robert B. Wolf, President, Pulp Bleaching Corporation, New York City.



will keep as much of their objectivity as possible, and how to make them operative through and not in spite of the workmen.

Because of the close association of Miss Follet with this book, I am going to ask you to note the connection between her observations and what I believe to be the real reason, we have not yet begun to utilize the tremendous creative power which can be released when we develop a technique of recording group accomplishment, and then seeing to it that the records keep their objectivity until every member of the group is conscious of the progress of the group as a whole and the amount of his own contribution to this progress.

The use of group bonuses is just now the vogue in industry. It is the belief of advocates of this system that its effectiveness is due largely to the bonus. While recognizing that the financial incentive does have a direct appeal, where economic pressure is great because of low wages, I am confident that by far the greater stimulus comes from the fact that group progress had to be recorded in order to pay a bonus, and that increased output has resulted primarily from this fact. Furthermore, my experience leads me to the conclusion that the apparent increase resulting from the use of group bonus may be misleading, and that in the long run much better results will be obtained when group power is released without the use of direct financial incentives—creation, not gain, is the *raison d'être* of the group.

As Miss Follet has indicated, the group is a creative center. Creation, however, is a *conscious* process. It may not always appear to be so, but this is because we are unable to understand the causes back of the creative activities, which are expressing themselves in what is called the generic operation of natural law. In the last two of the three kingdoms which preceded the fourth, or Human Kingdom, the creative process operates through generic types. The individual unit in the vegetable is merely typical of the idea which is expressed and which we may characterize by the words spruce, oak, rose, magnolia, wheat, oats, etc. The same is true on a higher dimension of life in the Animal Kingdom, except for our domestic animals

(which we have artificially caused to live in a higher dimensional environment). We rarely think of the individual animal, but of the genera or species, which is typical of the idea expressed by such words as lion, alligator, tarantula, etc.

When we come to the Human Kingdom we think of individuals, such as John Smith and Mary Jones. Even when we think of national groups we instinctively think of men and women we have known, who belong to those nations.

**Human Kingdom Starts New Creative Cycle.** Each and every normal human being is, therefore, a starting point of a new creative series. In other words, the creative process is not generic, as in the Animal Kingdom, but individual. In a very real sense individual man is a group of emotions unified by his intellect, and the first million years or so of his existence on earth was a "man against man" struggle.

In *Periodic Planes of Creation* I pointed out that the fourth plane of each kingdom—

The Molecule (of the Mineral);

The Compound Sporadic Vegetable (of the Vegetable);

The Coelenterate (of the Animal); and

The Industrial Group (of the Human);

were each generally regarded as the first true representatives of their respective kingdom.

In order to indicate the direction our inquiry might properly take in our study of the source of group power, I am going to advance the theory that man—considered as a kingdom of self-conscious individuals—is the first conscious manifestation of the universal "will to create." The Human Kingdom is, therefore, the focal point of the cosmic drama.

Few today question the creative power of man and as the, by far, greatest manifestation of this creative power is in the industrial plane—the fourth plane of the fourth kingdom—I believe a study of the operation of industrial groups will lead to the discovery of the nature of their prolific creative power.

There is not opportunity in a paper of this kind to give

specific illustrations of the manner in which group accomplishment can be recorded. I have given details in two papers, namely—

“Non-Financial Incentives,”

Published by

The American Society of Mechanical Engineers

29 West 39th Street, New York City;

and

“The Creative Workman,”

published by

Technical Association of the Pulp and Paper Industry

18 East 41st Street, New York City.

**Three Ways of Recording Group Accomplishment.** I will here simply point out that the creative accomplishments of any industrial group can be measured in three ways: quantity of work done, quality of work done, and the cost of doing the work.

It has been my experience that quality and cost measurements are of the greatest importance, as costs cannot be low unless quantity is great enough to ensure economical operation.

As I have indicated previously, the units of the Human Kingdom (individual men) are self-conscious. Therefore, in order to develop a sense of quality and cost performance within the groups, ways and means for measuring these two aspects of the work performed by the groups must be devised; and these “objective measurements” must retain their objectivity, as Miss Follet points out, so that, as previously mentioned, each individual in the group can see the effect of his own actions on the total group performance.

I will mention one typical example of group activity which is, to quite a large extent, being developed these days under what is known as budgetary control. I recall some years ago, when I was Manager of the Burgess Sulphite Fibre Company, laying out, in conjunction with the General Superintendent of the Chemical Mill and the Superintendent of the Caustic Soda Manufacturing Department, a program which we all agreed was practical, if the various group activities in the department were carried out throughout the coming year with the maximum of intelligence applied to each operation.

The result of this careful planning, which was in effect budgeting the operations based on an estimated production, was to reduce the total cost of manufacturing from \$20.00 per ton to \$16.00 per ton during the first year of this conscious working to predetermined estimated standards, with a drop during the second year, resulting from a similar advance budgeting, of from \$16.00 to \$13.00 per ton.

This could not have been accomplished by merely arbitrarily issuing instructions to the superintendent of the plant that he must bring his costs down. His interest was kept up so that his entire group activity resulted in lowered costs, because each month he was furnished with exact figures, and also had placed in his hands a graphical presentation of the progress he was making in approaching the standards which he and his associates had helped to form in each department of the plant.

Simultaneously with the graphical plotting of the costs of group performance was a similar plotting of the quality factors involved, so that not only were costs lowered, but the actual quality of the material was considerably improved.

**Results Without Financial Incentive.** In none of this work did we use financial stimuli, although wages and salaries were high and on the increase. The results were directly traceable to the technique which we developed in recording accomplishment.

On a smaller scale precisely the same kind of methods were followed in the case of the foremen of the yard crew, who had charge of unloading raw materials, such as coal, sulphur, limestone, cinders, etc. A daily record was made of the cost of unloading each of these items, which gave the following information in columnar form—

Total quantity handled.

Cost per unit of measurement for the day.

Average cost for the month.

Lowest previous monthly average.

The sustained interest of the group in creating conditions to unload materials more economically resulted in many changes in equipment with very great savings. The cost of unloading coal, for instance, was lowered from 10 per cent per ton to an

average of  $3\frac{1}{2}$  per cent per ton, and it was accomplished without any physical speeding up of the workmen or reduction in wages.

In the "Non-financial Incentives" paper, previously mentioned, I have given instances of the tremendous saving in the cost of repair materials in this same plant, because we furnished to each group of workers in the maintenance department the cost of labor and materials on the jobs they were doing. The manner of furnishing this information was to attach to the time card of the foreman in charge of a group, each morning, a form giving the total cost of all the work which had been done on that particular job up to the end of the previous day. This information he freely discussed with his workers, and the net effect was a reduction in the cost of repair materials in the plant from \$4.00 per ton to \$2.00 per ton within a period of less than a year and a half. When it is considered that we manufactured over 100,000 tons a year, it is plain that tremendous creative activity was released.

I do not mean that all of this saving resulted from furnishing the job costs to the maintenance foremen, as a considerable portion of it was due to the fact that the operating department heads were furnished with the costs of operating their various departments as well. Before records of maintenance costs were furnished to the department heads, such items, for instance, as belting, interested the operating heads only in so far as the belt transmitted power or did not transmit power. When, however, they were supplied with the belting costs in their departments instead of using belt dressing (which was very hard on the belts) to stop belts from slipping, they insisted on having the drives figured over by the engineering department, so that not only were they free from delays, but belt replacements reached the lowest possible point. In the item of belting alone, as a result of measuring group performance and keeping these records constantly before those responsible, the total belting cost in this plant dropped from 21 cents per ton in 1908 to  $3\frac{1}{2}$  cents per ton in 1915.

**Maximum Productivity Proceeds from Intelligent Evaluation.**  
In conclusion, I would like to call attention to the fact that

the maximum of plant productivity can only be obtained when there is a maximum of intelligent evaluation of individual performance, whether the individual be the individual worker (who, as I have indicated previously, may be considered a complex group personality), or whether we mean the smallest operating group made up of a number of persons, or a department which is formed of a number of such groups, or a plant which is composed of a number of such departments, or a corporation composed of a number of plants.

What I have said merely confirms—from a long period of practical operation, which has necessitated careful planning to release group activity—what Miss Follet grabbed out of the ether, so to speak, that “the same force which forms a group may form a group of groups—that the same force which bound the individuals together in groups goes on working, you cannot stop it; it is the fundamental force of life—the universal law of being.”

Miss Follet has well said: “You cannot stop the force which binds groups together,” for to stop it means that creative evolution ceases. The effectiveness of group activity, as we have seen, depends upon the effectiveness with which group progress is recorded and reflected in the consciousness of each member of the group. So, likewise, is the effectiveness of the “group of groups” dependent upon the degree to which its various member groups reflect the major purpose of the whole, to which they belong. This process of continuous “outreaching for further unifying” can never cease during a period of cosmic activity, so the urge of the *universal* must be for an ever-increasing conscious expression of its essential creative nature through the *individual*. Its primary urge, therefore, must be towards the creation of conditions which will induce a reciprocal desire upon the part of the individual to increase *its* comprehension of the universal purpose.

Creative power is generated in the conscious group, but the only way to make the group conscious is to record its accomplishments. In no other way can we bring into action the potential creative power inherent in every industrial group.

## QUESTIONS

1. What is meant by group?
2. Why is creation a conscious process?
3. Describe similarity between group creation and individual creation?
4. Why does recording group progress increase creative activity?
5. What are the three ways of measuring industrial accomplishment?
6. Why is it desirable to keep the individual fully informed regarding the effect of his individual activities or the accomplishment of the group as a whole?
7. Why is the desire to gain knowledge in skill and wisdom more powerful than the desire to gain wealth.

## CHAPTER XIII

### THE LEADER AS COORDINATOR<sup>1</sup>

I TAKE it that I am charged with the special duty in this chapter of explaining, to what extent and how the leader in an industrial corporation is a coordinator.

In order to do this, I must assume a fairly specific meaning for each of these words. Or, rather, I shall define the words "leadership" and "coordination."

Leadership I define as that combination of qualities by the possession of which one is able to get something done by others, chiefly because through his influence they become willing to do it. I assume that we are talking both of top executive leadership, where face-to-face contact with the rank and file are slight, and also of face-to-face leadership represented by the work of a factory or store manager and his line department heads.

I also assume some of the conclusions already reached by other contributors to this volume, to the effect that the leader is a more or less natural product of the interrelation of his personality with the special needs of specific situations.

Executive coordination I define as *the process whereby advance agreement is secured upon a policy and the general methods of its execution from the several functionaries necessarily involved in its accomplishment, and the process whereby that accomplishment is effected in such a manner as to harmonize the purposes of the several functionaries, to the end that there is willing, orderly, and effective carrying out of the policy.*

More specifically, coordination has to do with the process whereby policies are adopted, interpreted, executed, and supervised.

<sup>1</sup> Ordway Tead, Editor of Economic and Business Books, Harper Brothers, New York City; Lecturer in Personnel Administration, Columbia University; Author, *Human Nature and Management*; Co-author, *Personnel Administration: Its Principles and Practice*.



Broadly speaking, the difficulty of coordination is in direct ratio to the size of the organization whose activities are to be coordinated. And as big organizations are on the increase, so also is the urgency of this problem.

The whole process in recent business organization spoken of as functionalization, has also greatly increased the importance of, and necessity for, this coordinating process. The claims and purposes of the selling end, the buying end, the producing end, the financing end, the human supervising end, of organizations, are almost inevitably diverse at one or more points. And however much it may be assumed—and it is a generous assumption—that all these functionaries are primarily interested in making profits for the organization—the relative importance which each attaches to different aspects of the problem makes them inevitably give weight to their own particular part of the task. If to the special points of view of these several functionalized staff heads we add the special point of view of the several subordinate line executives, and the points of view of the rank and file of workers in all the line departments, the problem of coordination is seen to be one of real magnitude. The task of coordination is, as I see it, identical with the *organizational* aspects of the task of achieving what Miss Follet has called a “progressive integrative unity.”

In relation to coordination I conceive of the leader as interested in the task of stimulating and harmonizing desires and purposes. But he is here largely concerned with the *organizational* side of his problem. He is concerned with the organized method by means of which information is imparted, desires clarified, and purposes unified. He is seeking the method of structural interrelationship which will assure by its continuous working the evolving of agreed purposes. The leader's task as coordinator is to find out what kind of meetings, conferences, reports, methods of reaching decisions, methods of publishing decisions, methods of overseeing and execution of plans, will give the desired result of harmonized operation. And insofar as he is actuated by a wise psychological understanding, his work in this field lies clearly in one direction—that of securing

*advance* agreement based on informed and willing inter-group cooperation.

It should be unnecessary to go over the ground of previous students in this field who have pointed out that to attempt to achieve unity by executive fiat on the one hand, or merely by seeking advice which is not necessarily taken on the other, is today wholly inadequate. Both methods, it has frequently been pointed out, have the difficulty of failing to involve the element of personal interest and affirmative inclination on the part of the people who are being directed. It should not be necessary to labor the point that the creative leader is trying to have his coordination the result of "power with" his group, and not "power over" them.

**Types of Coordination Problems.** It will be helpful to be quite explicit as to the general character of the problems which are before us as those which involve coordination. The department store, as Mr. Paul M. Mazur has so suggestively pointed out (see his *Principles of Organization Applied to Modern Retailing*) has, for example, a peculiarly difficult problem in getting the proper balance between the claims of the merchandise manager, the store manager, the publicity manager, and the comptroller. To spend the right amount, and not too much, in advertising merchandise which has presumably been bought with an eye to a consumer demand, and to have that sold with a good sales force and at a sales cost which is satisfactory, involves a high degree of coordinated effort.

The publishing business affords an interesting problem in executive coordination. The editorial department decides to buy a manuscript. The manufacturing department is charged with the responsibility of giving it a fitting format. The sales department and advertising department must know why the book is presumably one which will be demanded. The treasurer's office must be sure that the book is disposed of only to retailers who will pay their bills; to say nothing of seeing to it that there must be enough cash currently on hand to pay all bills, including authors' royalties.

These are both examples of a problem of coordination on what

I am going to call the horizontal level—by which I mean among executives of presumably equal functional authority.

There is a different type of coordinative effort required if a firm is deliberating whether it is going to install some new personnel procedure, such as an employee representation plan or a stock purchase plan for employees. In such problems as these (and there are many of them) the coordinative effort must be not merely horizontal, but must also be vertical. It must usually include in the necessary deliberations not only members of the board of director and staff managerial groups, but of the foreman group and often the rank and file group as well.

**Basic Conditions of Coordination.** Both horizontal and vertical coordination seem to me, however, to entail for their satisfactory outcome conditions of two general sorts. The *mental conditions* within and between the respective groups or individuals must be right. And the *structural arrangements* or forms of organization among them must be right.

The whole teaching of psychology emphasizes that these two categories in a given situation are really two highly interdependent phases of one progressing activity. Fundamentally, the right mental conditions do not exist or perpetuate themselves in the absence of structural arrangement that enable them to find expression. To conceive of the right structure existing for long without the animating breath of human mental participation is unrealistic. The mental conditions of sound coordination require and imply for their fulfilment that type of organizational machinery which will, in turn, support and give effect to the moving forward of the different human activities involved into more harmonious relations. It is untrue and concrete misleading to conceive that in effective action ideas and the embodiments in tools and methods which give them effect, can be long separated. Mechanisms and machineries of representation and conference are the outward evidence of the inner idea of the disposition to coordinate. Or they are hollow shams which presently disappear.

Of the mental conditions just mentioned as essential to coordination, there seem to me to be four which it is worth

stressing. These are (1) common knowledge; (2) a sense of a common stake in the results; (3) common agreement on purposes; and (4) a sense of equal sharing in forwarding the coordinating process.

1. The first requirement of permanently satisfactory coordination is *common knowledge*. Experience shows that this common knowledge must have for its content the common problems, all the facts that bear upon them, policies which it is proposed to follow out as the basis for a solution, plans which any individual or group has which hasten the solution, the general methods, and plans by which the policies are to be made concrete.

How is this common knowledge to be achieved? The answer which psychology gives to this question is that common knowledge is the result of common experiences, common participation in the carrying through of problems, ideas, plans, proposals. All subjective phenomena in order to be grasped in any sense that makes them useful to those involved, must have passed through their own mental machinery in some vivid and active way. Experience which is really understood in common is fundamentally only that experience which has been shared in common. So much that passes for experience is merely verbal glibness, that it is often hard to convey this thought that people are talking about the same realities only when the realities they are talking about *are* the same. And they tend to be the same only as they have been experienced in common or under analogous conditions.

If this conclusion seems unduly drastic, I would remind you of the real nature of the learning process. Groups are no different from individuals in this respect, that they do not learn primarily by being told; they learn largely by having experience. On relatively unimportant matters, and for short periods of time, individuals and groups may occasionally be willing to take the word of another as to the truth and justifiability of some conclusion which that other wishes, as the saying is, "to put over." But their real experience of conviction, of understanding, of affirmative willingness can never grow out of this

process of imbibing information, important though this may be. It grows rather out of the slower, but mentally more incisive process of having struggled with, groped in, and mastered the elements of the experience itself. And in this process the role of critical deliberation is implied, and should not be forgotten.

All this may seem to you a commonplace in everyday life. Yet it is a commonplace which is ignored again and again when managers try to put into effect the apparatus of coordination without taking the time to put the affected groups through the experiences which will illuminate their reasoning, and give substance and self-assurance to their purposes. There is a vital distinction between learning in this experiential sense and learning in the sense of learning *about*. And only those individuals or groups who, in relation to problems on which agreement is sought, have gone through both processes are in a psychological condition to create a true state of coordination.

Despite what may seem to be the obvious character of this statement, I repeat that in relation to executive coordination its importance has as yet been hardly recognized. Again and again managers and foremen are guilty of expecting others with a different point of view to agree with them, although these others have had no factual knowledge and no active experience which should lead one to expect that they could share the manager's view. What happens is that managers become exercised about a problem, they study and discuss it. Then, after it has become quite clear to them, they present it to the other groups. And they are surprised at the slowness of comprehension and hesitancy in agreement, which they find. Yet they have not put the other groups through the same experience of critical study that they themselves have gone through. In the absence of this sharing, a meeting of mind is greatly retarded.

The wise leader in this connection is he (1) who makes provisions both in terms of machinery and in terms of personal enthusiasm for having relevant facts on specific problems available and intelligible to the affected groups; and (2) who

patiently but firmly subjects these groups to a process of active participation in the experience of helping to solve his problem, so that the way of their mental adjustment is the natural result of their mental reaction to the whole experience of joint problem solving.

I can most quickly illustrate the difference in the two methods by citing the example of those companies who install an employee representation plan by taking a fully-prepared constitution and by-laws to their employees, asking them to approve it. And those companies which set before their employees in a tentative way the possible desirability of some form of employee representation, and then leave it to a representative group from management and from rank and file to go out and study other experience with a view to building up from the bottom a plan that will be most effective in relation to the local conditions. The former method is an attempt to get coordination on a certain problem by fiat. The latter method is an attempt to get it by the pathway of shared and creative experience.

Is there any question in any rational person's mind as to the relative desirability of the two methods?

2. The second mental condition of coordination is that there shall be a sense of *some explicit common stake in results*. Take, for example, the department-store problem cited above. Assume that the store manager and the publicity manager are the two major stockholders of the company, while the other two staff managers are merely on a salary. Is there any doubt in your minds but that the quality of the effort of the owners in relation to the coordinative process is different, in some degree at least, from the quality of the efforts of the salaried merchandise manager and comptroller?

This condition will hold true to some extent in all cases where presumably equal staff executives have quite unequal stakes in the final outcome.

In relation to what I called above vertical coordination, there is no doubt in my mind but that the difficulties of achieving coordination today are so great, because the foreman group and

the rank and file so frequently feel that their stake in the results is *so very much less significant* than that of the top managers and board of directors. The coordinative process is accelerated by an attitude of deep concern in the outcome. The outcome may be in terms of income, status, advancement, or something else. But failing recognition on the part of the leader that a convincing stake in *some* outcome must be supplied for all individuals or groups, the possibility of coordination is diminished by so much. Concern in the outcome is inevitably related to the amount and quality of the stake; and lack of concern lessens the possible success of coordination.

I would stress also the related truth that the coordinative process is equally stimulated if people in groups feel that they have a genuine part in the creation and use of the ideas actuating and advancing the business, as well as in the income created from it. This means they have a common stake in the creative aspects of the enterprise. The loss in power is considerable in every organization where either ideas are sought and not used, or are never sought at all from those groups which unquestionably can help with facts and creative suggestions. Every accident prevention campaign, every waste elimination campaign, every aggressive suggestion system, every employee representation plan that works on production problems, has supplied splendid evidence that creative and invaluable ideas are evolved in the subordinate ranks, if only there is the machinery and the disposition to bring them out.

Here, again, the leader's job is prescribed. It is for him to help create the atmosphere and the machinery which will make all his groups realize that their ideas and creative suggestions are significant, valuable, and of real weight in those deliberations where coordination is taking place.

3. The third mental condition of coordination is that there shall be some approximate *agreement upon the purposes* to be realized. I have said that the assumption that every individual or group in the coordinative body is interested in the major purposes of the organization, is a supposition often contrary

to fact. On every side there are illustrations of the truth that executives are often primarily interested in satisfying personal vanities, in saving their faces, in advancing their position at the expense of others, in getting back at other executives of whom they are jealous, in compensating for grievances which they have against the company, etc. And in the field of vertical coordination to suppose that the members of the foreman group, of the rank and file, and all the salesmen on the road, are animated equally with the owners by the purpose of bringing profits to the company—or whatever else the major purposes of the organization may be conceived to be—is untrue. And it should be obvious that the coordinative process cannot go forward where this wide divergence of personal and group aims continues as a fact.

I have not time here to go over the entire ground of the vital point as to how it is that integration of purposes may take place. (See my article on this subject in the *Taylor Society Bulletin*, December, 1925.) I can only suggest that the leader's job in this connection is a pivotal one (*a*) in helping to clarify purposes; (*b*) in sensing existing divergences; (*c*) in bringing these divergences into the light so that they are recognized for what they are; and (*d*) to stimulate the provision of a machinery of deliberation which will facilitate a meeting of minds and a unifying of objectives. The good leader will realize that common purposes are not achieved by fiat or by exhortation. Our purposes are the result of our experience; and to have it possible for purposes to be shared and harmonized means essentially that people and groups must have gone through experiences which satisfactorily prove to them that the newly evolving purposes are good and self-realizing in their own lives.

Here, again, it is true that the backwardness of the development in industry of the coordinative process results from the present confusion and serious conflict of both psychological and economic purposes among the participating groups.

4. The fourth mental condition of coordination is that there shall be *some approximate sense of equality* characterizing the individuals or groups. I call attention to the necessity of a



sense of equality, because it seems to me to be psychologically true that this sense is a basic condition of that attitude which we speak of as one of free cooperation. I am not talking about equality of social status in the superficial sense, nor about equality of income, nor even about equality of prestige. I am referring to the sense that the rights, interests, and desires of an individual or group are in fact having equal weight, equal consideration, in those deliberations where their desires can and will in all likelihood be conditioned. If in an executive group of five managers, one of them feels that because he alone had no college education, or speaks English with an accent, or is intellectually much slower and more plodding than his associates, there will tend to exist a sense of inequality which debars him from participating most satisfactorily in the coordinating activity. Similarly, and what is an almost universal condition, if foremen and manual employees feel that their ideas are given little weight, that they are merely tolerated and not welcome in deliberative councils, they feel a tremendous handicap of inarticulateness and inferiority, and the likelihood of getting coordination is reduced to a serious degree.

Mr. Houser called attention in his chapter to the fact that in industry the leader is typically not the selection of the entire group he leads. Whether he should be or not is not at the moment under consideration. But I do believe that this fact qualifies in a serious way the possibility of realizing this sense of equality among the groups. Between those groups which have had no hand in the choice of leaders and those which have, is fixed a psychological gulf of no mean importance. The wise leader can, however, do much to overcome this. If he realizes truly that what he wants is a voluntary following of his lead, and an active and aware assent to the purposes and plans he advances, he can make his contacts with these groups of a sufficiently human and educational character to counteract much of this unfortunate and unproductive sense of inequality. More than that, it seems probable that various types of employee representation machinery with which experiments are now being made can also do much to create in a thoroughly

realistic way this sense of equality among related groups, even though their leaders are not of their own choosing.

All of these indispensable mental conditions which I have suggested are to be achieved, I contend, only by the provision of objective arrangements of conferences, etc., which will supply the experience which will induce the attitude. Hence we are brought to a consideration of the structural aspects of the problem. Here the requirement is for a scheme of organized relationships which will assure communication, recording, interpretation and agreement, both horizontally and vertically. More companies have worked on this problem in its horizontal phase than on its vertical phase. I mean that the necessity of executive coordination has yielded many more experiments in that direction than has been true up and down as between managers and men.

**The Principle of Coordinative Representation.** As respects both types of coordination, it seems to me the same principle applies when we come to seek a clue as to how to build conference bodies for coordinative purposes. This principle has not been derived *a priori*. I am merely giving statement to it, and suggesting that it has applications to industrial organization which can be most useful. Political organization has thus far seen its most full exemplification. The principle is that *every special group interested in the formulation and carrying out of a policy or plan should be a party to its adoption and the adoption of the broad methods of its execution.*

The specific application of this principle has been, and should always be, most flexible and varied for each individual case. But at least the leader who makes that application must recognize what and how many of these special groups there are, and must see in a fresh way the number and variety of policies which do in fact affect each of these functional groups.

I do not purpose here to repeat the tentative suggestions made in the Tead and Metcalf text on "Personnel Administration," where in Chapter XXV we have gone into this question of its structural side in some detail. I want rather to stress

certain points which seem to require new emphasis as helping to facilitate the coordinative process.

In the first place, attention should be called to the value of *formal* action as facilitating the coordinating process. Again and again I have heard executives say: "We don't need to bring the whole committee together on this. I have talked it over with two or three of the members and they agree with me that thus and so should be done." This is one of the most fruitful causes of misunderstanding and failure to integrate. Formal action assures (1) that the truly affected groups are consulted; (2) that records have been made; and (3) that decisions have been written out explicitly. It helps to assure that all are aware that the process of coordination is going forward, and this *conscious* pursuit of the process is highly desirable.

In the second place the importance of formal action suggests the value of *conference*. That conferences have a technique of their own is a truth now well established. Fortunately, Mr. Sheffield in a previous paper has supplied us clearly with splendid suggestions regarding the technique of successful conferences. He has shown that problems of divergent purposes can only be worked out in conference if we (a) break down these problems into their several elements; (b) bring out which of the elements are sources of disagreement and which occasion no disagreement; (c) bring out the reasons why the disagreements exist; (d) state possible ways of adjusting these differences; and (e) try by patient discussion to bring this new phase of a newly evolved purpose into the realm of objective reality and action.

I agree heartily that the conference method can be abused. It can make it easier for people to evade responsibility and "pass the buck." It can make it easier to obscure authority. It can make it easy to delay action unduly. All of which means that it is a technique which, badly used, may prove expensive. The one best answer to this objection is that usually *this expense is far less than the expense of misunderstanding, delay, and obstruction which always occurs and is the chronic condition of organizations, in the absence of conferences and other positive efforts at coordination*. A price has to be paid for good coordination. And I am

certain myself that this price is cheap in comparison with the price now paid all along the line in operating inefficiencies as the result of conflicting attitudes and aims.

The third point to bring out is the value of *record keeping*. In my business experience it has been astonishing to see how little organizations are able to profit by their own past mistakes due largely to this absence of records. This does not mean book-keeping records. It means minutes of conferences and records of results of the following out of specific policies, which were definitely tried as experiments. No organization that I have had the opportunity to become acquainted with has anything like an adequate record of its experience which would give new and young executives any basis for avoiding the expensive mistakes of the past. To say that this is unimportant because the older executives carry this kind of experience in their heads and bring it to bear on new problems, is a wholly inadequate answer. It is inadequate because executives have short memories, because they rationalize what they want to do, because they all have special biases, because they resign, because they suddenly pass away.

If the idea developed above of the necessity for sharing experience as the basis of common understanding is as important as I think it is, it will be readily seen that records supply one important way of increasing knowledge by sharing, in a measure at least, the experience of the past with all those who will take the pains to study them.

A final item to stress is the value of *written decisions*. Here, again, I am sure that everyone's business experience bears out the fact that unwritten decisions are the source of endless confusion and difficulty. Even in organizations of a handful of executives, the reluctance to put decisions into writing results in almost constant errors, because someone or another of the executives has forgotten, or misinterpreted, the decision reached.

This brief analysis of the nature of coordination, of the principle of structural representation it entails, and of certain vital details of method it should require, certainly affords a

multitude of suggestions as to the leader's place in forwarding the whole process.

He must, of course, recognize the importance of coordination—must recognize this as a specific assignment of his which cannot be ignored. This means he must see it in its proper balance as a task on the one hand of influencing personalities, and on the other a task of inventing, perpetuating, and breathing life into suitable structures.

It means also that he must have a vivid sense of the truth that an *organization* is something different in its essence from the sum total of the labors of its individual members. This is not a metaphysical conjecture. It is a description of an obvious reality to say that an organization, wisely coordinated in the sense above defined, is in a position to *yield far greater output and far greater happiness to those engaged in creating the output than is that organization which is merely conceived of as an aggregation of isolated individuals*. This notion of sharing experience means that the process of creating ideas, generating enthusiasms, and evolving harmonious purposes is carried on with far greater success where people confer on a plane of equality in order to advance coordination, than where they are merely directed and supervised. Where two or three are gathered together to work under mental and structural arrangements which supply aids to the release of the creative impulses of human nature, the yield is eventually far greater than where they are merely gathered together.

The leader must, in short, *have faith in the project of coordination* as an energy-releasing, team-work achieving, enthusiasm-building agency which literally creates power for the organization—power which cannot be called out in any other way for the simple reason that only deliberately can reciprocal interests and unified aspirations be cultivated. This truth, known to every football captain and every military general, has still to be learned in more peaceful organizations.

Finally, the leader has the important role of giving that touch of *decisiveness* which is essential if any organization is to *act*. After all, everything that has been said thus far looks in

the direction of *securing effective action* from the organization. And the leader must be the one peculiarly responsible to charge the whole organism with the impetus which produces *action* and not mere conversation. A balance has to be struck in all organizations—struck between the explicit purposes which the organization is designed to serve, and the claims of the individual people involved for personal growth and realization. The leader preeminently must be always watchful that these divergent claims are being harmonized so far as possible for those whom he leads. His success is to a considerable degree measured by his ability to make people feel in a deep and profound sense that their growth is being assured at the same time that action is being taken to fulfill the immediate purposes to carry out which the organization is set. For him to think that he can achieve this difficult end without taking thought for all the processes implied in coordination, would be to disclose his shortcomings as a leader. Proper attention to the task of coordination will be his best insurance that this balance is being struck just so far as is consistent with the effective conduct of the organization he is leading.

### QUESTIONS

1. What is the essence of the process spoken of as coordination?
2. Does not true coordination imply the existence of
  - (a) Certain mental attitudes; and
  - (b) Certain structural arrangements?
3. What are the mental attitudes which conduce to make coordination a reality?
4. Does coordination on its structural side require the representation of special group interests in deliberative bodies? If so, how should such bodies be constituted and what principles should underlie their operation?
5. How does the leader work to forward the process of coordination?

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## CHAPTER XIV

### HOW THE CAPACITY FOR LEADERSHIP IS DISCOVERED<sup>1</sup>

THE general conception of leadership is relatively constant. Great men are characterized by the things they have done. Their character and their works are viewed in later times by the measures that can be applied. Measures of degrees of attainment are less frequently and less successfully applied. Where leadership ceases and some other form of characterization begins cannot be determined. The definition of leadership has no discernable boundaries. Leadership itself may be found in all walks of life and in all degrees. Amounts of greatness are measured by the mores of the group. Recognition of greatness is a function of the discerning power of the individuals in the group. The size of the group expressing such recognition is in itself a measure of the service rendered. Historical permanence is also used as a measure of degree.

We may well start here with a few illustrations that come readily to mind simply to note that greatness enters into all types of life activity. Saul was head and shoulders above any of his people. David slew Goliath. According to the account, none equalled the wisdom of Solomon before or since. Saul of Tarsus was struck down on the road by a terrific blow and told to redirect his abundant energies. Joan of Arc saw in a vision the way out. Luther visited Rome and seeing the depravity of the then reigning Pope, willed a new dispensation. Loyola passed through three stages, a soldier of *his* king, a soldier of *the* King, a follower of his Lord. Darwin worked over his notes for twenty years to bring one idea to fruition.

There is no need to push this type of answer further. Unusual

<sup>1</sup> C. S. Yoakum, Dean, Northwestern University, Chicago, Ill.; Author, *Selection and Training of Salesmen*.

personal characteristics, unusual service in time of need, outstanding wisdom, abundance of energy, an extraordinary clarity of vision and faith in one's own solution, a deeply impressed conviction of wrongs to be righted, the strong, steady, persistent purpose growing in breadth of understanding as it grapples with a tangled mass of facts until their meaning becomes clear, these are signs which unmistakably mark leaders when we meet them. We are able to recognize such leaders when the facts of their experiences are before us. Custom and the rules of society have given us this power to recognize leaders of this type. We respond to these symbols of leadership without effort; we are trained and habituated to this knowledge of men. Realized capacity in its extreme forms can be known.

**On What Occasions Can Capacity for Leadership Display Itself.** I am within the bounds of truth in saying that this form of leadership is recognizable. Is it possible, moreover, to see the situation wherein a leader is bound to appear before the leader takes charge? In general, social theory has proposed several answers. Events call for a leader; "the times are ripe." This undoubtedly means that there are certain criteria which present themselves to thoughtful minds which taken together, distinguish situations which will resolve of themselves in the course of time. There are also other events which call for concentration of effort through a single symbol, a personality. In this theory, the trend of events is made the responsible factor in the appearance of leaders.

An opposite point of view is expressed in the "great man" theory. Biologically or socially there appear at times men who change the direction of events. These men carry in themselves the innovating ideas, they change men's thoughts, they create a new era. They are centers and vortices which send their new thoughts in ever-widening circles about them. The immediate past and the future are understood in new ways because of their existence. In answer to those who hold the first theory, the exponents of the "great man" hypothesis claim that situations which seemed to be preparing for the appearance of a



leader really appear so only after the new leader has redirected our thought and our understanding.

You and I look back upon some event in our business lives. We remember something that turned out well. A little reflection leads to the growing conviction that we saw conditions existing there for a successful business deal, for developing a new method of organization, for re-routing materials, for putting in an economical machine. From this it is not a far cry to the conclusion. With the proper audience, a sympathetic group of followers, the ascent to retroactive leadership is easy. What would have happened had we not been there? Secretly, we tremble at the thought. We know too well how close at our heels someone was, who had what then looked to us to be a far better idea. I hope to show farther on how these two views coincide. The events and the persons who lead are co-existent; that events and persons are themselves the precipitates of other human action.

Cooley in an illuminating chapter on "Leadership or Personal Ascendancy"<sup>1</sup> points out how the leader re-directs the energies of men. His thesis is that in all of us there is energy that is being expended in ways which may be said not to count; in ways which are not productive of constructive results. The leader is that person who stimulates us to expend that energy in a different fashion. He uses it and us to multiply the energy he personally is expending to attain his objective. In all of us there is some of this unattached energy. In some, more than in others. Some people are found adhering to almost every new cause. They are joiners. At least they swell the numbers that follow and aid in creating the appearance of a successful cause.

Cooley thinks of the great man as one who successfully changes the direction of much of this unattached energy, holds it to his purpose, and thus reconstructs a social situation. It seems fairly obvious that it would be easier to lead at some times than at others under this hypothesis. A widespread

<sup>1</sup> C. H. Cooley, *Human Nature and the Social Order* (Charles Scribner's Sons), 1902, Ch. IX.

disaster that stopped the usual modes of action, a slowly widening dissatisfaction that was becoming slightly articulate, an ideal that concentrated the attention of many who could not formulate their own objectives; situations like these are the opportunity of the clear thinker, the man with strong convictions, the individual with a plan.

With previous contributors to this volume, we may agree that it takes both conditions, the leader and the led, to make a social movement. The tendency, so it seems to me, is to make those who are led into an abstract formula, a social condition, a political slogan, a *Weftschmerz*. The tendency to exalt the leader into an all powerful single factor, a symbol, is due to something quite apart from the problem of finding him. It is, if I may use the language of abstract psychology, the effect of a prepotent stimulus, that of persons. The outlines of the persons in the larger mass become indistinguishable and blurred. One because of some special mark which catches the eye, becomes sharply outlined. He is the hero of the occasion. The limits of human perception pre-dispose us to heroes.

Each of us is both leader and led. In its extreme form this has been called the imitation theory. The advocates of it claim that even the great man is led by an idealized person or set of qualities or some historical character whom he seeks to emulate. I prefer not to hold this extreme position. With Cooley I am willing to believe there is available much undirected human energy which, bound together by a strong leader or cooperative effort, will produce a current in social or business affairs. Further, the variations, idiosyncrasies, the original ideas of each of us, are essential for leadership. Small available amounts of human energy, slight originality in our suggestions, will make us small though relatively ineffectual leaders. Nevertheless, disregarding for the moment negative elements, each of us is both leader and led.

Individual variation, degrees of the traits in question, opportunity for expression of the notions each of us holds, are three items that modern psychology has emphasized and social organization in a democratic society is striving to learn how

to utilize. In other words, originality is not a trait peculiar to a few. It, with other traits, is, nevertheless, not possessed in equal degrees by all of us. Furthermore, whatever the degree of it possessed there is need for an emotional outlet when the problem before us calls for ideas and action. The application of this notion calls for degrees of leadership, for kinds of it, and for differences in the relative qualities of leaders and led. The single outstanding leader in a society which understands the psychological facts just stated is of far less importance than where the mass of people wait supinely for a deliverer.

**The Experimental Search for Leaders.** The hypothesis just stated makes it possible for us to search experimentally for those who exhibit qualities of leadership. Several such experiments have been set up in the class room and on the playground which seek to analyze the situation and the characteristics of the participants. We are, in other words, slowly learning how to test variability, the degrees and amounts of any specific capacity and the effectiveness of different types of emotional expression.

I realize the difficulty of the task that is before me. The specialists who are working in this field are often groping for methods and for criteria by which to estimate their results. It will obviously be difficult to see where these wholly tentative results apply in the practical business situations with which we are concerned.

Mr. Wiggam pointed out to us the conclusions which may be drawn from biological sources. Dr. Person has referred us to Pearl in his attempts to evaluate our hereditary factors. Our present knowledge is doubtless insecure. The chances, nevertheless, lean in the direction of taking stock of ancestry if we are seeking relative degrees of leadership. When this is said, we must never forget that the opportunity, the appeal and the energy involved are not all inherited even in the degree that biology postulates as probable for a dominant trait. Hence our choice of a man to be a leader might well be described as a blind choice if we depended entirely on heredity for finding leaders. However, we shall continue to depend in

a measure on good hereditary factors and we are not wholly wrong in doing so.

Terman in his extensive experiments has proposed the hypothesis that leaders can be recognized early in life.<sup>1</sup> To prove this, he proposes to study 1,000 cases of variation in the direction of precocity—1,000 superior children. By various means, tests, questionnaires, conferences, he has recorded all variations in intellect, emotion, and special aptitudes which these children display. At intervals of ten or fifteen years, he hopes to restudy them and to record any changes in variation that occur. Control groups of children showing lesser differences were also recorded. These will also be watched. We know already from this and shorter studies of the same type that seldom does the individual of below average intellectual ability stand forth as a leader. Such a person requires unusual capacities of personal charm, of deep conviction, of persistence, and of opportunity in order to be a leader.

The second volume is given over to a different method. The hypothesis is the same; eminence is not, in general, achieved suddenly. Early childhood and youth foreshadow the man. The hypothesis is tested, however, by a systematic study of the early childhood and youth of men who have achieved eminence according to all the standards we now have available. This method of study has been styled historiometry. I need not detail here the procedure. Briefly, the attempt is made to apply the measures used on living persons to all available records of the historical personage. Careful tests of results were made by determining the reliability of two independent raters. The conclusions which must, however, be substantiated by the first method are interesting. With respect to personality there seems to be a striking superiority in traits exhibiting strength of character, activity, mental power, persistence and self-reference. "The extraordinary genius who achieves the highest eminence is also the gifted individual whom intelligence tests may discover in childhood."<sup>2</sup>

<sup>1</sup> Terman, et al. *Genetic Studies of Genius*, Vols. I and II (Stanford University Press), 1926.

<sup>2</sup> *Ibid.* Vol. II, p. 218.

Testing and personality analysis are not yet ready to announce that methods of finding leaders in the various fields have been perfected. We cannot be sure at all of the continued presence or full use of these traits until eminence is reached, even if we were fully confident that many of them can be detected. Perhaps it is just as well that our ability to analyze and predict does not outrun the art of living. We might and, perhaps, even now do, destroy the effectiveness of more genius by poor environment and by poor training than we bring to fruition. As we look back on industry, war, and political and social history, the waste in human life and in material things seems appalling. The neurologist also tells us that we know almost nothing as yet about conserving the human body in which the relatively far more powerful brain has been placed.

It may be worth a paragraph to mention in this connection the growing tendency of historians to analyze more closely the mental characteristics of great men and peoples. "History is more than events. . . . The process of interpreting history, therefore, involves getting as much as possible out of history, psychology, and economics—using economics in the widest possible sense as the effective material background of Life."<sup>1</sup>

The pseudo-psychology that has often been used in a highly specialized form in "great man" analysis has frequently been drawn from the psychoanalytic school. Followers of Freud, Alder, and Jung, have actually turned historian and biographer in their efforts to expand the scope of their theories. Barnes sums up much of this material by characterizing history, if these conclusions prove true, as the sublimation of the neurotics and psychotics of the past.

We need not pause longer. A saner psychology in the hands of the historian is also being used in investigating the conditions which accompany different forms or types of thinking—in other words, the situations in which leaders function. The historian is seldom, if ever, a thorough-going advocate of the "great man" theory. Neither is the psychologist. The psychologist, though he recognizes the importance of wide variations

<sup>1</sup> J. T. Shotwell, *The Interpretation of History* (Amer. Hist. Rev.), 1913, p. 693.

in the form of genius, nevertheless undertakes to measure the smaller variations. It does not seem possible to agree entirely with those who believe that only the common man retards progress.

The accumulation of small inventions, of improved techniques, of minor changes which smooth out management, amount often to an insensible revolution in procedure. Just as changes in light intensity may be so small as to be unnoticed, yet several such increases in intensity produce a noticeable change in brightness, so the accumulation of relatively small improvements prepares the way for coordination of ideas, of methods, of inventions and of discoveries. There is no need to detract from the eminence of those whose insight and understanding grasp the broader meanings, but here we seek to emphasize the existence of the many minor leaders who have brought to light facts ready for fusion.

The social sciences are probing more and more deeply into the behaviour of society. They are seeking to find the springs to action, the conditions of leadership. We have just seen that psychology has taken up the task. We have been shown over and over that there are clear and outstanding degrees of ability. The historian is trying to disentangle the myth and halo that clings about the past. Both, and we may include the sociologist, political scientist, biologist here, have shown that the smaller variations must not be disregarded. No epoch is made wholly by its men of eminence.

**The Experimental Search for Traits.** Eminence is seldom achieved suddenly. This means that originality must be supported by other factors. We expect to find along with any degree of leadership other traits beside originality. I am not going to burden you again with my four fundamentals except to hint that degrees of originality, output of energy, tact, and self-control still to my mind constitute basic factors in the make-up of leaders.

It seems preferable in this chapter to call attention to two or three preliminary experimental attempts to analyze and describe conditions which seek to select those who seem potential

leaders. Cowley has pointed out to us how diverse the qualities may be which inhere in leaders of various sorts. Our efforts at Carnegie Institute of Technology to elicit a peculiar set of special traits which made good salesmen taught us a similar lesson. All the traits that are to be found in leaders would indeed be all the traits there are.

More and Gilliland made a study of aggressiveness.<sup>1</sup> They used this term as synonymous with personal force, initiative, and assurance. To quote their next sentence, "It is thus understood as standing for that trait which in combination with intelligence and reliability goes far toward completing the essential personal requisites for success." (p. 97.)

The first step in the experiment was to select the subjects. Two groups were finally obtained, one made up of the thirteen most aggressive as determined by all the signs of behavior on the Campus they could obtain. In similar fashion, thirteen of the least aggressive were selected. These two groups were then tested by the use of several types of distraction during mental additions and with a word association test. The additions were to be performed mentally, under (a) the direction of meeting steadily the fixed gaze of the experimenter, (b) under the expectancy of receiving an electric shock, (c) with a dead snake coiled about ten inches in front of the eyes of the subject. The word association test was given in the usual way, but the words selected, "enterprise," "success," "danger," "death," "opponent," and "company," were intended to present stronger appeals selectively to the two groups being tested.

The average score of the subjects judged aggressive was 93; of those judged weak in aggressiveness, 59. There is about one chance in twenty-five that one of the latter group will score as high as 85, and practically no chance at all that a very aggressive person will score as low as 70. The writers are convinced that the group of traits going under this general term can be discovered in an individual. There might be considerable disagreement regarding the type of character uncovered by these tests. The significant thing is, however, that two groups

<sup>1</sup> *Journal of Applied Psychology*, Vol. 5, 1921, pp. 97-118.

judged by a number of persons and in a number of college situations did also differ on tests that can be given in the laboratory.

Moss has recently reported certain interesting experiments on testing sensitiveness to social situations. These are not yet published in full so far as I know. The data are interesting. He finds distinct differences among persons in respect to the analysis and understanding of social situations. Insofar as he is able to group these individuals with respect to social behavior, the results of the test seem to be in excellent agreement with the facts. Those who behave well socially and attract by their social graces also know and sense good social behavior. Dr. Manson, also in unpublished data, has found comparable results. In an article entitled "You've Got to Rub People the Right Way," Miss Bennett quotes E. E. Loomis as saying, "It does not matter how able a man is, how thoroughly he knows his job, or how hard he works, he cannot be a first-class leader unless he rubs people the right way."<sup>1</sup>

The above experiments are directed toward what this railroad leader believes to be a fundamental factor in leadership. Their results are promising. I want to record again in this place that reservoirs of fact with respect to the sequence of some selected events in personal histories are also accumulating. These selected events do bear to some extent on the problem this volume is treating. Histories in itemized form are being studied in many colleges and in some industries. These will not make biographies of the usual sort; but they may clear up many questions regarding types of persons and nature of traits which must be studied more intensively.

I have not purposed to make this survey of experiments exhaustive. The two or three selected are simply illustrative of the way in which the problem of discovering leaders is being approached at the present time. You will notice, perhaps, that my own bias stands out in the selection of experiments. They seem to show the great importance of energy, of originality, of ability to get along with people, and with persistence and steadiness of purpose.

<sup>1</sup> *The American Magazine*, January, 1928, p. 80.



The next best success other than being a leader oneself is probably being party to finding one. My general thesis strives to give even more comfort. To some extent, each of us can be a leader and thus experience personally the joys of leader and lead. Our contribution in leadership may be small indeed, but it may be none the less a real satisfaction to us as individuals. Tentative efforts are being made in industry and business looking toward the time when a measure of justice can be meted out to the small originalities most of us contribute. Cooperation, committees, re-adjustments in lines and scope of authority, records of individual output, decentralization, these and other experiments in industrial relations suggest steps in approaching the problem of giving the leader within all of us opportunity to exercise. These are signs of the practical search for leaders.

**The Practical Search for Leaders.** We can again be relatively brief here. The search for these variations of individuals under the term "traits" has only begun. So with the evidence that lesser leaders are doing things that the greater bring together; these facts are slowly accumulating in business history and in experiments. Dickinson has recently done a piece of work that should be the forerunner of many others which, together, will stimulate business to keep better records of the smaller variations that arise. I refer to a Bulletin from the University of Michigan entitled "Suggestions from Employees." With even the small amount of data now available he had been able to show that the innovators and inventors can be discovered by systems of this type. Here are actual possibilities of human power demonstrated by the suggestions they turn in. The creation of better methods of collecting suggestions, of better opportunities for original thinking should uncover even more talent of importance.

The inflexibility of system, the fixed ideas of a single executive, the cost of changes of an experimental type where methods are rigid, tend to reduce the number of these smaller variations within a business. The executive or the worker at the machines does not look merely at the pay he might get for a

suggestion. He knows often enough that some simple idea may involve many extra hours of labor before it becomes useful. But the really deadening factor lies in his realization that any new idea will often be greeted by hostile efforts on the part of other executives and by overt efforts to discourage a trial of the idea. Also he is often met with derision and cynical sympathy for proposing something different.

To such an extent are the habits of a business built into a system that many variations of high potential value never get expression. The enthusiastic young business man soon learns caution in making suggestions. This caution is a thing he must learn, but too often he learns along with it to save his ideas for some other company, to direct his original ideas into other channels and thus to become a cog in the machine.

One favorite method of business in its search for ideas is to look beyond its own staff when in need of new ideas. A few days ago, I listened to the recital of such a procedure. Within the last year and a half all but one or two of the major executives of a large company in my own state have been removed. Others are being brought in from all directions. Evidence is at hand to show that there has been no increase in actual talent. It seems to be merely the only method known to produce change. My illustration is not alone. Doubtless each of you can cite similar instances until we would have here a large body of evidence to show the details of the method.

My argument, therefore, is that business must organize itself so that all its leaders may function. I believe that existing forms of organization are based too much on the fear that a new idea will disrupt profits. Until profits disappear, no one has the courage to check the slowly disintegrating structure. The machinery for revivifying it is absent. The criteria for a successful organization must be restated.

This is not the place, I imagine, to undertake such a task. It may, however, be possible to point out some of the lines along which such new organizations will be built. Greater opportunity for changing details will exist. A new emphasis will be placed on ideas; and responsibility for planning, for

costing, and for experimentation will accompany the development of the idea, safeguarded by degrees of isolation and of experiment until it has proved its value. Increased respect for the experiment that fails must be established. Changes of these types will give the persons within the organization opportunity to test their ideas. Fundamentally all new ideas are crude. The essential thing is to have ideas, to encourage the imagination. This is not cooperation; it suggests some type of organization, yet unborn, in which modest originality can prove itself.

**Summary.** Till we have this new type of organization, applied research must walk on crutches. It can never deal with fundamental things. Types of applied research as they are largely organized now are practically independent organizations, existing apart from the operating divisions. Research in the new business organization will be a part of the daily routine. Search for better ways of doing things will be the mental activity of all workers, rather than of the few behind steel barriers, or in separate buildings. The machinery for testing the innovation as well as for trying out the fertility of the innovator will exist as an integral part of the organization. My thesis has, thus far, been that whatever other traits support genius, originality is the fundamental factor. Further, originality has degrees, it varies in amount. We are coming to realize that waste is not necessarily a sign of progress: that our various assets must be conserved. Originality is one of them. We have largely sought it and used it where it existed in abundance and like the surface vein of coal easily obtained. Our search henceforth is for methods of utilizing the less "profitable" ore. So far as the operating staff is concerned, originality has been a little used by-product.

The commonly accepted notion of the leader is that of one who appears above the horizon. History has given us relatively little by which to determine whether the conditions must be of a particular character for the leader to appear. It has often been urged that there must be special conditions. Philosophy has seldom seen a leader appear who interpreted very far beyond the horizon of his age. The movement of social

change often seems massive. The opening of experimental avenues in material things appears to have accelerated that movement. It lies within the bounds of possibility for a similar acceleration to take place in social affairs. I believe, however, that the calculus of events must likewise be approached through experiment. By this method we can find leaders and situations in which they can lead.

Leadership ability is discovered by searching. History is revising its method and proposes to aid in that search. Psychology is steadily investigating the means whereby essential capacity for leadership can be uncovered. The task does not seem hopeless. For business leaders, actual business itself is responsible if it does not produce its own leaders. When it realizes that the development of men, of leaders, is its primary responsibility, then new methods will appear for assaying human material. Science, education and industrial life will produce the leaders for industry when industry really wants them.

### QUESTIONS

1. What are the occasions and forces which underlie leadership?
2. Where shall we look for leaders? What have the research workers to tell us?
3. Do leaders have characteristics and qualities that other men do not have?
4. Which is the more important, cooperation or genius?
5. Can we have cooperation without destroying initiative?

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## CHAPTER XV

### SOURCES OF POTENTIAL LEADERS IN INDUSTRY<sup>1</sup>

**The Scope of Leadership in Industry.** Before we can properly size up the sources of potential leaders in industry we must have some idea as to what leadership in industry embraces, what its scope is. I have the definite impression that when ordinarily we talk of leaders in industry we think of those comparatively few individuals who head up the enterprises with which they are associated as presidents or the like. By certain peculiar qualities in their make-up they have arrived at the top and are supposed to be in command of the ship. As judged by the title and content of the talks so far presented much of the discussion has been devoted to discovering what leadership is composed of, what this industrial "it" really is with which our captains of industry are endowed. And I must confess that I am no more sure now, having diligently invoked the scientific method, of the soundness of the prevailing views on the matter than I am certain of my understanding of the nature of "it" in the fair sex.

It seems to me that, because of the exaggerated place of military institutions and activities in the affairs of man, we tend altogether too much to judge leadership by military standards. In fact the very word "leader" to me has a decided implication in this direction—someone who leads a lot more who follow. I for one am of the opinion that this concept of leadership, especially as applied to industry, is neither proper nor desirable. Whatever may have been necessary by way of ability to control and command when conquest and warfare were the noblest pursuits of mankind, is not necessary in pursuits essentially peaceful and constructive in their purpose. The simple fact that pursuits, such as business enterprises, are

<sup>1</sup> Otto S. Beyer, Consulting Engineer, Washington, D.C.

peaceful and constructive, makes leadership of the military, autocratic, dominating type inconsistent with the nature of such pursuits. The examples are legion where the autocratic method, as applied to industry, has sooner or later come to grief. Autocracy in industry, military control, does not and can not in the long run get results. The emphasis must be on cooperation, and the individuals in positions of responsibility must above all else be endowed with the ability to elicit this cooperation.

With me, as you know, the great men come first, and the military heroes last. I call those men great who have distinguished themselves in useful or constructive pursuits; the others who ravage and subdue provinces are merely heroes.

said Voltaire.

How utterly inappropriate the military concept of leadership in industry really is, was effectively demonstrated by Miss Follett in her address to the Taylor Society on "The Illusion of Final Authority." Just as the Irishman, when he first saw a camel, Miss Follett too maintains that there is no such animal. Mr. H. G. Wells somewhere points out the havoc wrought by the cult of Napoleon—

In the long perspectives of history the cult of Napoleon, and his peculiar effect upon certain types of mind is of far more interest, and far more importance than his actual adventures. The world has largely recovered from the mischief he did; perhaps that amount of mischief had to be done by some agency; perhaps his career, or some such career, was a necessary consequence of the world's mental unpreparedness for the crisis of the revolution. But that his peculiar personality should dominate the imaginations of great numbers of people, throws a light upon factors of enduring significance in our human problem. . . . Since his time his name has been one of the utmost reassurance to great multitudes of doubting men; to the business man hesitating over a more than shady transaction, to the clerk fingering a carelessly written cheque that could so easily be altered, to the trustee in want of ready money, to the manufacturer meditating the pros and cons of an adulteration, to thousands of such people the word "Napoleonic" has come with an effect of decisive relief. We live in a world full of would-be Napoleons of finance, of the press, of the turf; half the cells in our jails and many in our mad-houses are St. Helenas. He was the very embodiment of that sound, clear, self-centered common sense, without sentiment or scruples or reflection, that struggles with our feebler better nature, that may ultimately destroy mankind. In all history

there is no figure so completely antithetical to the figure of Jesus of Nazareth, whose pitiless and difficult doctrine of self-abandonment and self-forgetfulness we can neither disregard nor yet bring ourselves to obey. That summons to a new way of life haunts our world to-day, haunts wealth and comfort and every sort of success. It is a trouble to us all. Our uneasiness grows. Napoleon was free from it. The cultivation of the Napoleonic legend seems to offer a kind of refuge. From salvation.

The truth is that society, particularly that phase usually referred to as industry and business, is rapidly becoming predominantly cooperative. The trend is quite consistently away from the furtherance of narrow selfish interests. An industrial corporation in a sense originally was a cooperative enterprise composed of its investors who pooled their capital with which to finance the corporation and who shared the profits made by the corporation. This simple set-up might have continued indefinitely if it had been inherent in an enterprise organized essentially for profit to acquire a decent concern for the interests of the consumers of its products as well as for its employees. Because the corporate organization failed in this respect the consuming public through its agencies, in this country chiefly the state legislatures and the Federal Congress, have defined certain of the obligations of corporations and established various agencies to see that these public obligations are properly lived up to and respected. Thus the railroads, for example, are subject to the Interstate Commerce Commission as far as what they may charge for their service is concerned as well as in many other important respects, while the meat packers are subject to the Packers and Stockyards Administration of the United States Department of Agriculture. The Federal Trade Commission is an example of another governmental agency created by the people to protect their interests as consumers. Likewise have the workers in industry been forced to create agencies of their own to safeguard and further their interests as wage earners and producers. Thus evolved the labor union with its insistence upon recognition and collective bargaining in respect to wages, hours, and working conditions.

What we find, therefore, as we take a look at industrial enterprise from a sufficient distance to get the whole picture in our vision is that those in responsible charge of industry are no longer free agents. More and more must they reckon with the public and with the workers of industry if they wish to get results. Hence, the emphasis on "service," public relations, personnel management, cooperation. Hardly a day passes upon which something does not happen by way of knocking the props out from under the military type of leadership in industry. As an illustration I invite your attention to the Interborough Rapid Transit Company and its leadership.

So being quite definitely out of patience with the notion that potential leaders for industry must have the earmarks of good sergeants, captains, or generals, I find myself, in my attempt to formulate my ideas as to what industrial leadership should embrace, in thorough accord with the observations of Dr. C. R. Mann as expressed in his lecture on "What Does a Leader Do?" As you will remember, he observed that the training of the colleges from leadership to usefulness as an objective of instruction suggests a different method of discovering the capacities of men. "For usefulness," he stated, "is appraised by what men do. It is a relatively simple and accurate thing to observe action and appraise its significance."

The possibility and opportunity of being useful may then be set down as the requirement of potential leadership. Prospective go-getters, he-men, and the like are not wanted.

One more observation before attempting to make a reconnaissance survey of the sources of leadership in industry. It is my idea, in line with the test of usefulness, that industrial leadership is not confined simply to him who happens to be the chief executive and would, perhaps, better be called the grand coordinator. It also embraces all the others who have any responsibility whatsoever for getting things done. I even go further than this. I also consider him an industrial leader who, perhaps quite detached from any large industrial enterprise, virtually all alone, quite by himself in a laboratory and by dint of long and patient effort, uncovers some important scientific



fact. I include him who, by his researches in social and economic phenomena, records and interprets past experiences for the benefit of the future. Nor should we overlook the representative of the workers in industry, the shop committeemen, shop stewards, business agents, general chairmen and officers of the many organizations of labor. They, too, perform useful services. The opportunity to be useful, therefore, circumscribes the sources of potential leadership in industry.

Thus it comes about that I visualize a fairly wide range of sources of potential leaders for industry. If what we are looking for are men who can be useful not merely as coordinators but also in respect to the many other needs of industry, then there are many such available, far many more, I believe, than is ordinarily suspected. The difficulty, as I see it, is that there is an unnecessary lack of opportunity which artificially restricts and stifles potential leadership at the source. But this is another story of which more perhaps some other time.

**Possible Sources of Industrial Leadership.** Consideration of the potential sources of leaders for industry therefore reduces itself partly into consideration of the factors that provide individuals with opportunities of usefulness, and partly into consideration of the agencies and their personnel which are trying to enlarge the scope of the usefulness of individuals to industry. I am frank to say that I can think of no effective way of classifying human beings in respect to their potential qualifications for leadership. To attempt to appraise people for leadership on the basis of their racial characteristics certainly is not feasible. Nor am I impressed very much with ones I. Q. as an index of his ability to be useful if the opportunity offered. When it comes to sizing up men for our purposes on the score of their educational record, experience indicates that this also is not a reliable basis. The only approach that seems to get us anywhere is to consider the available individuals in the light of the peculiar duties for which they are required. And in discovering available material this seems to reduce itself largely to a matter of initiative with each individual, his ability to focus sufficient attention upon himself so that others

will automatically think of him as available for leadership when occasion arises. If he can somehow contrive to break through the ever closing and reclosing veil of obscurity which surrounds him, his qualities for leadership will receive consideration.

"One technical expert is worth twenty communists" suggested Lenin when the Bolshevist crisis was at its height, while Dr. H. A. Overstreet makes a plea for an engineer type of leadership. Potentially speaking, your engineers certainly are the most available candidates for service in industry. Veblen in his *Engineers and the Price System* has revealed their strategic position in industry if they only knew it. But they do not. Hence, in my estimation, the slowness with which they are qualifying for industrial leadership in the largest sense, although I believe the situation, as far as they as a class are concerned, is improving. The extent to which our engineering schools and societies concern themselves with the human and social implications of engineering practice will largely determine the capacity for leadership on the part of this very important element of our population.

Of equal importance to the technical experts as potential leaders are the workers of industry, both skilled and unskilled (when they start). Indeed, I am frequently of the opinion that a man's chances to become a railroad president, for example, are definitely limited unless he started railroading as a water boy with a section gang, or a call boy at some roundhouse, judging by the number of railroad presidents whose biography proudly attests to this important phase of their careers. And who does not know of at least a dozen corporation executives who started in as office boys. The alleged fact that John D. Rockefeller or somebody else of equal worth started to earn his living as a boy selling newspapers is today causing public authorities to exclude newsboys from many of the provisions of child-labor laws for fear of depriving them of the opportunity of imitating Rockefeller. Were we to take our lead from this sort of evidence we would be warranted in concluding that the most promising source of leadership for industry is located in

that strata of industrial workers composing the water boys, call boys, office boys, news boys, and the like.

How highly inspired, well equipped, and determined to become general managers, presidents, financiers, and the like, this particular group of industrial workers really is, I am not prepared to say. Nor do I yet clearly see why the training to which they are subjected as boys at the very bottom of the ladder, qualifies them especially well for the exalted positions to which they aspire. I have only run across a few such careerists in my time, and they hadn't gotten very far along their route.

But what I do know, having had repeated evidence of its existence, is that there are thousands, nay hundreds of thousands of workers in industry today who give genuine evidence of ability to be far more useful to industry than their present petty round of duties permit them to be. There is, according to my way of viewing matters, a marked tendency in industry to keep its employees in a state of suppression as far as their ability to play a wholesome inspired part in the purposes of industry is concerned. Essentially I believe this to be due to the fact that so much of our present-day industrial leadership attempts to function along military lines. Interference, even when only in the nature of a suggestion by the doers of industry, is resented by the tellers. And when the doers band themselves together into labor unions and delegate representatives of their own choosing to tell the tellers what they think they ought to have by way of wages, and the like, pandemonium breaks loose. Says the industrial autocrat, "Nobody is going to tell me how to run my business."

The moment he says this, however, he destroys a potential source of leadership and usefulness for his industry. By comparison, the man today in responsible charge of industry who not only knows how to make his peace with the working forces of industry properly organized and cooperate with them in the adjustment of wages and conditions of employment, but also knows how to get their hearty cooperation in behalf of the purposes for which his industry exists, may well be held up as

an example of industrial statesman. For what happens is that all the latent energy, all the enthusiasm, and all the effort of the workers, which, under the first situation would be devoted to harassing their employer, or would be suppressed entirely under our industrial statesman, motivated by the cooperative and not the military spirit, would flower into real constructive usefulness.

I can testify from a wide range of experience as to the leadership which is released by such a change. I have seen foremen, superintendents, managers, relieved of a vast and troublesome burden of grievances and the necessity of administering sullen discipline. And I have seen agitators, grievors, committeemen representing employees changed into useful, helpful, necessary members of the industrial administrative machine. I have seen workers in industry mobilize and bring to the attention of management thousands of constructive measures devised by these workers in their own environment all aimed at improving the conduct of the enterprise. I have observed how collectively they have stimulated management to improve its own conduct, how they introduced a positive stimulus for management to exert itself in behalf of still better performance. I have been struck by the readiness on the part of the workers to assume responsibilities for better individual as well as mass performance on their part. Where, formerly, foremen were needed to boss a gang and keep it properly disciplined, these individuals have tended to become the guides of their group. And what is perhaps most significant of all, the cooperative relationship has revealed all kinds of managerial talent, potential industrial leadership, all of which remains hidden most effectively under the usual scheme of things.

I submit, therefore, that the most prolific source of potential leaders in industry is to be found in a sound constructive relationship between workers and management. What the specifications of this relationship are is another story, concerning which there is still much difference of opinion.

For the present purposes the illustration I have given of the

opportunities latent in industry to develop leaders will have to suffice. It is my theory that the best way of getting some idea of the lairs where potential leaders may be lurking is to provide more temptation for them to lead, that is, to do useful things. That is the only way I can think of discovering where they are hidden. Consideration of the sources of potential leaders in industry, therefore, really resolves itself into a perusal of the conditions which make for leadership in industry. When we know definitely what these are, and know how to bring them into being, the matter of leadership will take care of itself. Human beings are, indeed, versatile and resourceful.

So the discovery and development of leadership in industry is essentially a question of how best to cultivate and fertilize the field of industry.

I will close on a constructive note in line with this idea to illustrate how potential leadership can be fostered if and when responsibility for the efficient conduct of industry is properly distributed. Such distribution of industrial responsibility implies that our workers in industry, their supervisors, managers, and executive officers are all in the position of industrial citizens. There are more than just so many hands with a narrow round of duties to perform in so many hours per day. Theirs each in his own way, is the concern for the success and progress of the enterprise as a whole. Because their industry provides them with their jobs, their living, in the very last analysis it is the most important enterprise with which they are associated. Because of this association they earn their bread and butter, than which, for them, there is nothing more necessary, less indispensable. So it is latent in the situation that they should have a very powerful proprietary interest in their industry.

But most of our education is not attuned to the individual as a citizen of industry. What it seeks to emphasize is the individual's place in society as a political citizen. Much of our history, economics, and civics as taught in our schools aims at qualifying the individual as a citizen of his community, state, and nation. The great opportunity at the disposal of industry,

a potential source of leadership, is to provide education and training to qualify the individual as a citizen of his industry. Industrial workers should have occasion to learn about the history, economics and civics of their industry, so that they may function the more intelligently in respect to the purposes, government, and control of their industry. And this instruction, I believe, should be "public," just as our education for civic citizenship is "public," that is, the workers of industry should organize to do it themselves. This should not be the task of those who happen at the present time to be the so-called proprietors of industry because they have lent the industry some money.

In conclusion let me summarize my conception of the most important conditions which must prevail in industry in order to bring potential leadership into being—

1. Freedom of association.
2. Constructive industrial relations.
3. Education for citizenship of industry.

Ruskin says—

When men are rightly occupied, their amusement flows out of their work, as the color petals out of a fruitful flower.

And so also does their capacity for leadership.

### QUESTIONS

1. Does a proper concept of leadership include all who make constructive contribution to society, business or otherwise? Would you consider a lone inventor or writer whose works have had a profound effect on human thought in the category of leaders?
2. Do you consider that the "military" concept of leadership is unwholesome and in the long run detrimental to society? Or, in your estimation, has it a place in the running of human affairs such as business enterprise?
3. If business enterprises are tending to become more and more cooperative in spirit and purpose, how is this going to affect the sources from which future leaders will develop?
4. What do you think of the opportunity for usefulness as a force making for improved leadership in industry and elsewhere?
5. What would be your general specifications of constructive relations in industry designed to foster the fullest germination and growth of leadership?

## CHAPTER XVI

### SOME DISCREPANCIES IN LEADERSHIP THEORY AND PRACTICE<sup>1</sup>

**The Theory.** There are certain discrepancies between leadership theory and leadership practice. What is the accepted *theory* of leadership? In general, we may say that the leader is usually supposed to be one who has a compelling personality, who wields a personal power, who constrains others to his will.

This has been the theory of the past and is still, to a large extent, the theory of the present. Certain psychologists, in their wish to facilitate the discovery of leadership qualities, are working at tests which are expected to show what they call "ascendancy traits." I think these psychologists are doing valuable work, and that their tests will probably enable them to discover those who possess ascendancy traits, but I do not think that these traits are the essential qualities of leadership. Indeed, not only do ascendancy traits not always indicate leadership, but, on the contrary, they often militate directly against leadership. I knew a boy who was very decidedly the boss of his gang through all his youthful days. That boy is now forty-five years old. He has not shown any ability to rise in his business or any power of leadership in his community. And I do not think that this is in spite of his "ascendancy traits" but because of them.

A few years ago two psychologists carried on some rather elaborate tests for the measurement of aggressiveness. I have no doubt that these tests disclosed, as the conductors of the experiments claim, the trait of aggressiveness, but what I question is their assumption that aggressiveness is necessary to success. They define aggressiveness as abundance of self-assertion and pugnacity combined with a lack of fear, and then

<sup>1</sup> M. P. Follett, Author, *The New State and Creative Experience*.

add: "We may say with only slight qualification that other things being equal, the measure of a man's aggressiveness is the measure of his chance of success." Surely this is an over-estimate of self-assurance, pugnacity, and lack of fear.

**Political Leadership.** We have just had an interesting example of leadership in Mr. Hughes' influence at the Pan-American Conference. One reporter spoke of Mr. Hughes' ability to influence the Conference profoundly by quiet advice and suggestion, and thought this power due chiefly to his intimate knowledge of Latin-American affairs, and of the phases of the continually changing situation developing in the Latin countries, to his large knowledge of history, and to his mastery of international law. Another article on the Conference stated: "By common consent Mr. Hughes dominated every scene in which he figured importantly; not with the mien of superiority, but that of the friendly adviser who knew his law and his Latin America."

Consider another interesting study in leadership, that of Platt, famous boss of the New York Republican machine. The way he influenced local, state, and national politics throws much light on our subject. His leadership depended largely on his ability in organization, his cleverness in using people, and his power of harmonizing conflicting interests. His genius for political organization is shown throughout his career. In regard to his astuteness in using other people, we are told by his biographer: "Platt did not have a great deal of physical energy, but his chief-of-staff, 'Ben' Odell, was commanding, pushing, aggressive. Platt did not understand the arts of publicity, but Quigg was known as an 'accelerator of public opinion.'" As to his power of uniting contending men and conflicting interests, of bringing men to work together with a common purpose for mutual benefit, he himself says in his *Autobiography* that his power was not "possessed in like degree by any other politician in America."<sup>1</sup>

Or recall the career of Mark Hanna. Enterprising, dominating as he was, essentially the pushing, pioneer type, yet his

<sup>1</sup> Harold F. Gosnell, *Boss Platt and His New York Machine*, p. 334.



success as a business man was due chiefly to a thorough knowledge of every detail of his business, his success in the Senate as much to his fullness of understanding of the measures he advocated as to the confidence he inspired or his position in his party. As to his success as party leader, while many personal qualities contributed to that, and while it was, indeed, due above all to his mastery and use of machine politics—no one could play politics better—yet what stood out in my mind after reading his biography was that he had mastered every task he ever undertook. His biographer, Herbert Croly, after quoting what Bishop Potter said of Hanna in regard to his management of the Civic Federation—that he had grown up to the size of his job—adds: "That comment supplies the clue to all the success of his career. He had grown up to one job after another."

The courses in "applied psychology," which are now advertised everywhere, belong really to the era of the old theory that one man was to impose his will on others, but the wiser teachers say to their students: "Don't exploit your personality, *learn your job.*"

I am not saying that certain personal qualities do not play a large part, a very large part, in leadership. I am merely suggesting further study of those possessed of such qualities in order to see if these men or women have not also had an unusually large knowledge of the business in hand, and to consider whether history has made a wholly valid estimate of the balance between knowledge and "personality." Take even Joan of Arc—her leadership obviously and preeminently due to the ardor of her conviction and her power to make others share that conviction—yet we are told that no trained artillery captain could excel Joan of Arc in the placement of guns.

**Orders.** Now let us look at business practice, and see what we find there that is not in accord with the stereotype of leader as the aggressive man carrying all before him by the sheer force of his personal will. We find many things. Consider first the matter of giving orders. The word "order" is being used less and less. One man told me that the word had

not been used in his factory for twenty-two years. In scientifically-managed plants, indeed, where the right, "order" is found by research, few orders are given in the old sense of that word, that of arbitrary command—we have method sheets, instruction cards. What is called the work-order is given in some plants by the dispatch clerk. This makes it clear to all that it is an essential part of factory planning, not anything arbitrary on the part of the foreman. The best answer to the conception of an autocratic leader issuing arbitrary commands is to say: Look at business as it is being carried on today and watch where the orders come from. What is their origin? Heaven does not privately convey them to the top executives. They rise out of the work itself, and in many cases subordinates may have contributed to the order.

Take the analysis of executive jobs that is being made in some plants. This can be done in two ways. You can get in an expert to do it or you can, as they have done in some places, get each man to make an analysis of his own job. Out of that analysis rules for the job, or orders, are formulated. Orders are the outcome of daily activity. Orders come from action, not action from orders.

The same is true in the case of operating jobs. That is, a certain way of doing things has been found to be the most effective, and, therefore, that way is standardized until a better way is found. Hence the expression now used in many plants is not orders, but standard practice. Men follow standard practice rather than obey arbitrary commands.

In some of the preliminary studies made to determine standard practice, the workers often take a part. If new methods are devised by the Research and Planning Departments, still in many instances they are not adopted without a shop try-out, and the workers are sometimes given the chance in this shop try-out to make objections. In plants where there are shop committees, explicit approval is obtained from the shop committees.

**Forémen as Leaders.** But if there is in scientifically-managed plants little order-giving left for the foreman in the old

sense of that word, still the foreman is not only *as* important but more important than formerly, not only is he not less of a leader, but he has more opportunities for leadership in the meaning which is now coming to be accepted by many for that word. This is because his time is freed for more constructive work. He has, with the more explicitly defined requirements made upon him—requirements in regard to time, quality of work, and methods—a greater responsibility for group accomplishment. In order to meet the standards set for group accomplishment, he is developing a technique very different from the old foreman technique. The foreman today does not merely deal with trouble, he forestalls trouble. In fact, we don't think much of a foreman who is always dealing with trouble; we feel that if he is doing his job properly, there won't be so much trouble. The job of the head of any unit—foreman or head of department—is to see that conditions (machines, materials, etc.) are right, to see that instructions are understood, and to see that workers are trained to carry out the instructions, trained to use the methods which have been decided on as best. The test of a foreman now is not how good he is at bossing, but how little bossing he has to do because of the training of his men and the organization of their work. The job of a foreman thus conceived, we have, as has been pointed out by an able head of department himself, a leader not ordering his men, but serving his men.

The arbitrary foreman may indeed get hoist with his own petard. I knew a case where a workman, reacting against such a foreman, deliberately carried out a wrong order instead of taking it back to the foreman and asking about it, and wasted a large amount of material in order that his foreman should be blamed for this waste. Thus the man who demands a blind obedience may have it react on himself.

**Obedience not Passive.** Our conception of leadership is everywhere restricted by the persistence of the fallacy in the old idea of obedience, namely, that obedience is necessarily passive. There is an active principle in obedience. Obedience is a moment in a process. The one who obeys and the one

obeyed both contribute to that moment. There is, as a rule, a very elaborate and complex process going on. At one moment in that process something happens which we *call* obedience, but it depends on everything else that is happening.

Can we not see then the fallacy in the idea that an order gets its validity through consent? Consent interweaves with all the other factors in the process, and the validity of the leadership situation depends never on consent, but must be tested by the basis of consent.

The men on a fishing smack are all good fellows together, call each other by their first names, yet one is captain and the others obey him, but it is an intelligent, alert, self-willed obedience.

Yet there are many who think, as I saw it stated, that "obedience is inconsistent with individuality and self-expression." On the contrary, obedience and self-expression, or even self-direction, are reciprocally involved. Group activity, organized group activity, should aim: to incorporate and express the desires, the experience, the ideals of the individual members of the group; also to raise the ideals, broaden the experience, deepen the desires of the individual members of the group. Obedience in relation to leadership can be discussed only in terms of these two aspects of the group process. From a study of this process we see that leadership rightly understood increases freedom as it heightens individuality.

**The Impersonal Order.** Perhaps the greatest difference between theory and practice in regard to orders is that the old theory envisaged the leader as one who could get orders obeyed—any order—while in the best modern practice the leader is the man who can show that the order is integral to the situation. And an order of this kind carries weight because it is the demand of the situation.

I found something a few weeks ago in a recent novel which recognizes and expresses this point. The hero of the novel, Richard Hague, was a large-scale farmer in England. And he was a very successful farmer. The author, after telling how Hague got the most out of all his materials down to the very spark

with which he lighted a fire, went on to say: "And it was the same with people. He got *use* out of them, though not through . . . being personally exigent in any way. It was always the force of circumstances that seemed to make the demand, not himself. He merely made it clear to them what it was that needed doing. . . . So little did it seem an affair personal to him that the sheep needed driving off the corn, or a message carried into the hay-field, that he hardly intervened. He might just call somebody's attention to what was needed, but it was the corn, the cattle, the world, that required the service, not he." And later the author tells us: "Hague evidently considered that the task itself made some claim on anybody who happened to come across it, made itself the most interesting and necessary thing in the world, so that no one could resist it."

Last month in an article on Adult Education in the *New Republic*, Harold Laski said: "For the business of any educational system is simply to breed skepticism of authority . . ." I do not agree with that statement. Every situation in life has its own inner authority. To that we submit. *By* that submission we gain our freedom. What educational systems should do is to show us how to join with our leaders in finding that inner authority.

To sum up this section: In the more progressively managed businesses, orders are coming to be considered as the outcome of the requirements of the situation, as information in regard to standards, as training in methods. The leader gets an order followed first, because *men do really want to do things in the right way*, and he can show them that way, and secondly because he too is obeying. Sincerity more than aggressiveness is a quality of leadership.

If one blow at the old theory of leadership is the increasing disappearance of arbitrary commands and a truer understanding of the real meaning and basis of obedience—an understanding that commands and obedience are two aspects of exactly the same thing—another blow at the theory that "followers" should merely follow, is that in looking at almost any business we see many suggestions coming up from below.

We find sub-executives trying to get upper executives to install mechanical improvements, to try a new chemical process, to adopt a plan for increasing incentives for workers, and so on. The upper executives try to persuade the general manager, and the general manager the board of directors.

**Different Types of Leadership.** Moreover, there is a growing recognition among business men that there are many different degrees of leadership, that many people have *some* capacity for leadership even although it be of the smallest. And the men who recognize this are trying to work out a form of organization and methods of management which will make the most effective use of such leadership capacity. It is also recognized that there are different types of leadership. I mean not only that there are different leadership qualities possessed by different men, but also that different situations require different kinds of knowledge, and the man possessing the knowledge demanded by a certain situation tends in the best managed businesses, and other things being equal, to become the leader at that moment.

We may say that we have in scientifically managed plants a leadership of function as well as the leadership of personality and the leadership of position. We have people giving what are practically orders to those of higher rank. The balance of stores clerk, as he is called in some places, will tell the man in charge of purchasing when to act. The dispatch clerk can give "orders" even to the superintendent. The leadership of function is inherent in the job and as such is respected by the president of the plant.

Consider the influence which it is possible for the cost accountant to exercise because of his special knowledge. Where there is cost accounting and unit budgeting, the cost accountant is in a position to know more about the effect of a change in price than anyone else. His analyses and his interpretations may dictate policy to the chief executive.

We have in industry many examples of men who lead in particular situations because they know the technique of their particular jobs. The chairman of a committee may not occupy

a high official position or be a man of forceful personality, but he may know how to guide discussion effectively, that is, he may know the technique of *his* job. Or consider the industrial relations man or "impartial chairman," now maintained in so many industries. This man is an adept at conciliation. He has a large and elaborate technique for this at his command.

When it is a case of instruction, the teacher is the leader. Yet a good instructor may be a very poor foreman. Again, some men can make people produce, and some are good at following up quality who could never make people produce.

The leadership of function and the leadership of personality are, of course, by no means separate—think of Mr. Morrow in Mexico—but if we have to separate them for the purposes of discussion, we may say that in business the leadership of function is tending to become more important than the leadership of personality. And we may say also that the success of a business depends partly upon its organization being sufficiently flexible to allow the leadership of function to operate freely—to allow the men with the knowledge and the technique to control the situation. We have often seen this done, seen the president defer to one of his executives when that man had a larger knowledge and wider experience of the matter in hand.

We have a very interesting example of the leadership of function in the power wielded by the under-secretaries in England. The members of the Cabinet—home secretary, secretary for foreign affairs, and so on—each has, as you know, an under-secretary who is a permanent official holding office through the party changes in administration. These permanent secretaries, because of their large knowledge of and continuing connection with the matters relating to their office, often exert a more decisive influence on affairs than the members of the Cabinet. It is they often who determine important decisions.

In speaking, however, of the leadership of function in industry, we must not forget how often we hear an employer say, "I hire executive material, not technical ability: almost anyone can acquire that," or, "I don't hire a mechanical engineer,"

I hire a *man*." In regard to this attitude, with which we must, of course, completely sympathize, I would say that whatever the motives of selection, by the time a man does become a leader in any business, he has also learned the technique of his particular job. Secondly, that certain changes both in organization and methods of management and also in the attitude of employers are an acknowledgment that in many cases control should go to special knowledge. And thirdly, let me point out that what is meant by "executive material" and "a man" is not covered by the phrase ascendancy traits.

You may have the promise of good "executive" material fulfilled in one to whom neither personality nor position, circumstance nor publicity, has given prominence. You have probably, for instance, all noticed how often leadership goes to the man, whatever his official position or personal force, who can grasp the essentials of an experience, and as we say, see it whole. This man sees the relational significance of the data at hand. In getting the facts for the solving of a business problem, the man who collects them may present them to the head of his department in their relational significance or in their literal order. If the latter, it may then be the head of the department who sees the essential unity of the data and presents his report to the president in such a way as to show that. Or it may be that the president does this for the board of directors. But wherever this process takes place, there tends to be control of the situation. Leadership tends to go to him to whom the total inter-relatedness is most clear, that is, if he has the power of using that insight.

**Anticipation.** And the most successful leader of all is one who sees another picture not yet actualized. He sees the things which belong in his present picture, but which are not yet there. Indeed, the kind of insight which is also foresight is essential to leadership. This does not mean that only the president needs it. Foresight is necessary for foreman or head of department; the only difference is that in their case the range about which foresight is necessary is narrower. But no leader of however small a group can forget, without disastrous



consequences, that the activities of each group have to be fitted into a whole which is constantly changing.

I was very much struck in a certain firm in England with the fact that one man among the heads of departments seemed to be doing more guiding than any other one man. I sought the reason first in his position, but decided that that gave him no more power than several other positions gave the men who held them. I came to the conclusion in the end that he got his power through an almost uncanny appreciation of the complexity of his relation to the organization—that is, he understood that he had both a direct relation and through others, and utilized the latter to the full—and also that he was thinking of his relation both to the organization that they had and to that toward which they were working. Please note the last clause for I think it important. He seemed, as I say, to have an extraordinarily vivid appreciation of the challenges that were being made to him by the organization toward which they were working.

Yet with all this I am aware how often leadership does not go to the man with the largest knowledge, grasp of essentials or foresight, and that this should be so is a pregnant cause of dissatisfaction to many an executive. Over and over again a situation is controlled by a man either because his position gives him the whiphand and he uses it, or because he knows how to play politics, or for other reasons. There is not time in one evening to make anything approaching an exhaustive study of the way in which all the different aspects of leadership may play against one another—or combine with one another. My only thesis this evening is that in the more progressively managed businesses—I realize that they are greatly in the minority—in these we see a tendency, only a tendency but one which seems to me very encouraging, for the control of a particular situation to go to the man with the largest knowledge of that situation, to him who can grasp and organize its essential elements, who understands its total significance, who can see it through—who can see length as well as breadth—rather than to one with merely a dominating personality or in virtue of his official position.

In saying this, however, I do not want you for a moment to think that I minimize the job of upper or chief executives. These men should hold their positions because of their greater ability. And their task is far more difficult today than ever before and demands higher qualifications. If others have at times a more complete understanding of the relational significances involved in some particular situation, *they* should have this understanding for much larger situations. Theirs is the responsibility of solving the problems of today, of anticipating the problems of tomorrow. And these problems are complex, intricate, far-reaching. They not only require many kinds of specialized knowledge, but many types and degrees of leadership must be utilized. The chief executive discovers leaders and trains leaders. He does not want men of the submissive type but men themselves with mastery, and such men will give his own leadership worth and power.

**The Law of the Situation.** We have a good illustration of the training and development of leaders among under executives, and also of the point I mentioned above—obedience to the law of the situation rather than to arbitrary commands—in the use of Budget Control. For several years I have been very much interested in Budget Control, for nowhere can we get a better idea of the type of leadership I am presenting to you than in the relation between upper executives and heads of departments where the budget is understood as a tool of control. Suppose an upper executive is dissatisfied with the work of a department. When this happens it is either because quality is too poor or costs too high. The old method of procedure was for the upper executive simply to blame the head of the department. But in a plant where the departments are budgeted, an upper executive can ask the head of a department to sit down with him and consider the matter. The Budget objectifies the whole situation. It is possible for an upper executive to get the head of the department to find out *himself* where the difficulty lies, to make him give himself the necessary orders to meet a situation.

You have already had a lecture on budgeting as a method

of executive control in which what I have just said was brought out, and Mr. Williams adds that while some may not call this leadership, in his opinion it is the very essence of leadership—teaching and training your subordinates how to control a situation themselves, helping your subordinates to develop their own ideas rather than exploiting your own. The job of the man higher up is not to make decisions for his subordinates, but to teach them how to handle their problems themselves, how to make their own decisions.

If this is the essence of leadership, we have a conception very far removed from that of the autocratic leader. The leader in scientifically managed plants tends not to persuade men to follow *his* will. He shows them what it is necessary for them to do in order to meet *their responsibility*, a responsibility that has been explicitly defined to them.

**The Leader as an Organizer.** If the best leader, then, takes all the means in his power to develop leadership among his subordinates and gives them opportunity to exercise it, he has then, also, his supreme task, to unite all the different degrees and different types of leadership that come to the surface in the ramifications of a modern business. Since power is now beginning to be thought of by many not as inhering in one person but as the combined capacities of a group, we are beginning to think of the leader not as the man who is able to assert his individual will and get others to follow him, but as the one who knows how to relate the different wills in a group so that they will have driving force. It is recognized by many that the most successful president of a business is not usually the one who can force his ideas on his executives, but the one who can make them do the best kind of team work. The heads of production, of sales, of finance, of personnel—each has a valuable contribution to make, but much interplay and adjusting correlation has to take place before these contributions can be welded into a force for the progress of the business.

In theory the president is usually supposed to arbitrate between his executives, but I know presidents who see the weakness of this theory and who try not to “decide between,”

but to bring their executives into cooperating agreement by combining the best, which each can offer with the best which he himself has to give. Or he may go even beyond this and do what it seems to me is done by the ablest presidents I have known, namely, make it possible for his executives to have the kind of practice, and train them thereto by his own conferences with them individually, which will enable them to learn the way themselves to combine their experience and judgment. Thus he gets them so that they habitually integrate.

But whatever the method, it is the president's responsibility to see that all possible contributions are utilized and made into an organized, significant whole subordinated to a common purpose. This is preeminently the leadership quality—the ability to organize all the forces there are in an enterprise. Men with this ability create a group power rather than express a personal power. They penetrate to the subtlest connections of the forces at their command, and make all these forces available, and most effectively available, for the accomplishment of their purpose.

We see the same thing in political leadership. The *theory* has been of personal domination, but, *study* the political leaders, the party bosses, and notice how often they have gained their position by their ability to bring into harmonious relation men of antagonistic temperaments, their ability to reconcile conflicting interests, their ability to make a working unit out of many, diverse elements. I spoke to you above of Mark Hanna. He was preeminently an organizer. The different aspects of his policy formed a unity which inevitably broke down opposition.

For several years I was doing a piece of work which brought me into close connection with a Tammany organization. I knew the head of the organization, the ward boss, and several of his lieutenants. The ward boss was not the domineering type. His lieutenants were. The boss, however, was an adept in organization, in using the power of his henchmen and in focusing it, in turning it toward certain ends.

In the complications of modern business everything tends to give the lead to organizing ability rather than to ascendancy

traits, because one man seldom knows enough about the matter in hand to impose his will on others. Consider retail selling. How much is the advertising department going to spend on advertising? Certainly the president cannot tell off-hand. If this particular line of goods is meeting a popular demand, it will not need much advertising. If, however, an attempt is to be made to *create* a popular demand, much more will have to be spent to advertise the goods. Or if there are reasons for the price being forced up, increased advertising will be necessary. And so on; of course, many more considerations than these would enter into the question. I give the illustration merely to show that a question of this kind requires the reciprocally modified judgment of several heads of departments, and the task of the president then becomes that of securing such a judgment.

But even if one man did know enough to make all the decisions, you cannot get any profitable "following" unless your followers are convinced, and you convince them in only one way—by allowing them to share in your experience. Men in business are seeing more and more clearly every day something which is wholly in accord with recent psychology although not recognized in the older theory of leadership, and that is that habits, attitudes, are changed only by experience, are *built up*, not assumed at will. The capable leader knows that in order to secure any lasting agreement between himself and the rest of his group, they must be made to share in his experience. This insight alone changes our whole conception of leadership. The leader knows also that any lasting agreement among the members of the group can come only by their sharing each other's experience. He must see that his organization is such as to make this possible.

This is one of the reasons for the spread of committees as a part of business management. In spite of the time they take, in spite of the fact that they often seem only one extra burden, still their value is being more and more recognized, not as a method of democracy—the plea we once heard made for committees—but as a way of taking our coworkers along with us

step by step in the acquiring of information, in comparing that information with past experience, in the whole process by which judgments are reached and decisions made.<sup>1</sup>

I read this paper to an upper executive a few nights ago, and when I got to this point he said: "Don't forget to say that the leader must also share *their* experience." We certainly must remember that, since the need for a unifying of experience, an identifying of purpose, has contributed largely to our present conception of leadership. The leader is neither the arbiter of his group nor, on the other hand, the spokesman of his group—the expression so often used. That is, he is neither mere representative nor dictator.

**Multiple Leadership.** Perhaps the feature of business practice which most sharply opposes the old theory of leadership, we can find in those cross-relations between departments given us by functional management. Here we have explicitly a coordinating and cooperating leadership. Where we need help from the psychologists is not to find aggressive men for us, but to find those who do *not* tend toward "ascendancy," those who try, on the basis of a common purpose, to find the methods best suited to accomplish that purpose. In business today, in the more, progressively managed industries where each man is responsible for a given set of duties and where the tendency is to give a man leadership up to his capacity for leadership, there is less and less hierarchical authority, above and below, over and under. One man is over another in some things and under him in others. I heard a story, the other day which, perhaps, has a moral for us. A teacher went into a new school. There were certain rules in regard to the disposal of small pieces of chalk, of erasers that needed cleaning, etc. But she carelessly disregarded these as she had come from a school where there were no such rules. In a little while she was taken to task by the custodian of the building who said to her: "You evidently haven't been used to working under a janitor."

It is clear today that the president in a plant where there is functional management has to coordinate leaderships of

<sup>1</sup> Mr. Ordway Tead has brought out this point better than anyone else.

varying types and varying degrees. And among these leaderships must be included in many instances that of employee representatives, shop stewards, or the officials who come to the fore where this is union-management cooperation.

If then functional management gives to the chief executive a task which cannot be expressed by the old charts showing only a hierarchical authority, there is another point in regard to the chief executive equally important. It is that as in the best forms of modern organization each man tends to have the leadership which his particular job gives him, so this is true also of the president as well as of all the others. One indication of our progress away from the old idea of leadership is the tendency of chief executives to think of their jobs more and more in specific terms. Consider the president of a large bank. While he has given up much of the influence on everyday questions still retained by the heads of small banks, he has *his* particular job. He must have a large knowledge of world conditions, he must be able to foresee the forces which may make for or against the success of large plans, and so on and so on. Or the head of a flourishing manufactory may spend much of his time in the East, South Africa, etc., opening up new markets or establishing branch factories. Others may be "leading" in the home plant.

**A Common Purpose.** In speaking of multiple leadership, in considering the organization of such leadership to serve well-defined ends, it should be noted how many are coming to think that these ends should be known and understood by all. There are leaders today who, far from keeping their purposes from their subordinates, think that the greatest aid to leadership consists in uniting one's followers, executives, or manual workers in a common purpose. They think that back of all giving of orders and following of orders there should be a shared knowledge of the purposes of store or bank or factory. I believe this is going to be a large factor in our future industrial success. Summer before last at the Rowntree chocolate factory in York, I listened to one of the best speeches I have ever heard. When a group of new girls is taken into this

factory—they take in thirty at a time—Mr. Rowntree, the president, gives a talk to these girls. He tells them what their work is all about, he shows them how one person being careless in dipping chocolates may make the young man who takes a box of chocolates to his best girl on Saturday night say that he won't get Rowntree's chocolates next time. And then Mr. Rowntree shows how this affects far more than Rowntree profits, how in time reduced sales will mean less employment in York for girls and boys, for men and women. And then he goes on, from such simple illustrations, to show them their place in the industry of England. I don't believe it is possible for those who hear these talks not to feel a close connection with, a certain degree of identification with, the Rowntree Company. While leadership depends on depth of conviction and the power coming therefrom, there must also be the ability to share that conviction with others. Mr. Rowntree, by his vivid statement of purpose, has found a way of making all his employees share in a common purpose. That common purpose rather than Mr. Rowntree himself is their leader. And I believe that today we are coming more and more to act, whatever our theories, on our faith in this power of what Dr. Cabot calls "the invisible leader." Loyalty to the invisible leader gives us the strongest possible bond of union, establishes a sympathy which is not a sentimental but a dynamic sympathy.

And this purpose should be a common purpose not only in the sense of being shared by all, but it should be a purpose evolved by all the interweaving activities of the enterprise. The best type of leader does not seek *his* ends, but the ends disclosed by an evolving process in which each has his special part. And when I speak thus, please don't think that I am Utopian, for one of the most practical business men I know, the head of a factory in the West, always comes out with this as the first article of his creed. And he is not talking ethics either when he says this, he is talking of what makes for business success. Moreover, we find another blow to the conception of the leader as seeking individual ends in the fact that leaders of the highest type do not conceive their task merely



as that of *fulfilling* purpose, but as also that of finding ever larger purposes to fulfil, more fundamental values to be reached.

I have spoken several times of the conception we are now acquiring of a multiple leadership. Our present historians and biographers are strengthening this conception by showing us that in order to understand any epoch we must take into account many lesser leaders. They tell us also that the number of these lesser leaders has been so steadily increasing that one of the most outstanding facts of our life today is a widely diffused leadership. Some go further and think that our hope for the future depends on a still more widely diffused leadership.

A few weeks ago I read H. G. Wells' last novel, which is not so much a novel as an arraignment of our present civilization, and in the last chapter he gives his hope for the future. That hope is based on the expectation that it will come to be universally realized that every one must take part in the regeneration of society. In the past, he says, we depended on single great leaders—Buddha, Mohammed, and so on. Today many men and women must help to lead. In the past Aristotle led the world in science. Today thousands of scientists are adding each his contribution. Our future depends on two things Wells tells us: first, that countless men and women wake to the necessity of the *great* part each has to play, and secondly, that we have the completest confidence in the possibility of control.

**The Part of the Led in Leadership.** I want now to speak to you of something which seems to me of the utmost importance, but which has been little considered, and that is the part of the led in the leadership situation. Mr. Wells urges the need of a wider leadership. I wish to emphasize something else in addition to that, namely, that even as those led we have a share in the control of a situation, and that our leader must know how to give us that share and we to take it. Those led have not merely a passive part, they have not merely to follow and obey, they have to help keep the leader in control of the situation. Let us not think that we are either leaders or—nothing of much importance. As one of those led, we have a part in leadership.

In no aspect of our subject do we see a greater discrepancy between theory and practice than here. The definition given over and over again of leader is one who can induce others to follow him. Or that meaning is taken for granted and the question is asked: "What is the technique by which a leader keeps his followers in line?"

A very able political scientist writing of leadership treats it as a tropism and discusses why men obey or do not obey, why they tend to lead or follow, as if leading and following were the essence of leadership. Yet this very man has made valuable studies in leadership and the whole trend of his thinking on this subject seems away from this stereotype; yet at that moment, when talking directly of leadership, he reverts to the old idea and speaks of the leadership situation as one of command and obedience.

Again, listen to this quotation from a recent book: "People are more readily persuaded to follow as one of a crowd under a leader than to labor separately . . . for some social end." That is true, but these are not the only alternatives. You need neither be lost in the crowd or labor separately, you can labor *with* your leader.

The technique of that process is, I believe, the most important thing for industry to learn. We want leaders? We want psychologists to discover leaders for us? Of course. But still more, we want worked out a relation between leaders and led which will give to each the opportunity to make creative contributions to the situation. This is a growing demand today. I have been asked once this winter to speak on the relation between college faculties and students, and at another time to speak on the relation between deans of colleges and student government councils. In the latter request it was stated that they wished to discuss how to make a "creative experience" between deans and the student body.

Part of the task of the leader is to make others participate in his leadership. The best leader knows how to make his followers actually feel power themselves, not merely acknowledge his power.

But if the followers must partake in leadership, it is also true that we must have followship on the part of leaders. There must be a partnership of following. The basis of industrial leadership is creating a partnership in a common task, a joint responsibility.

Have I taken away anything from the prestige of leadership? It seems to me that I am adding to that prestige, that those with this conception, and with the ability to embody it in organization and management, are the only ones who can play a large part in the forward movement of our civilization. One of the tragedies of history is that Woodrow Wilson did not understand leadership.

An indication of the change that is going on in our ideas in regard to leadership, we can find in the fact that while a few years ago there was much talk in colleges about training for leadership, many colleges even stating that leadership was the ultimate aim of their instruction, this is not so today. Dr. Mann has told us that a search through some two hundred and fifty college catalogues has revealed only eight that mention leadership as one of their aims. And Dr. Mann tell us also that President Hopkins in addressing the student body at the opening of Dartmouth last autumn said: "I have come to distrust the validity of much of what has been said, including much which I have said myself, in regard to its being the function of higher education to train for leadership. I ask permission to revise this statement to say that the first function of the college is to educate men for usefulness."

While the college catalogues and the speech of President Hopkins show an advance in one direction, namely, that it is no longer considered desirable to gain an ascendancy over our fellows, yet the mistake is still made, it seems to me, of identifying leadership with ascendancy. For with the conception of leadership which I have been trying to present to you, there is no reason why leadership should not be put in college catalogues as a desirable aim of education. Moreover, with this conception of leadership President Hopkins' wish to educate men for usefulness could not be fulfilled unless they are educated for leadership.

**The Leadership of Example.** I have sometimes wondered if it would be better to give up the word leader, since to so many it suggests merely the leader-follower relation. But it is far too good a word to abandon; moreover, the leader in one way, at least, does and should lead in that very sense. He should lead by the force of example. If those led obey the law of the situation, they must realize that he is doing the same. If they are to follow the invisible leader, the common purpose, so must he. If every one must work overtime, the president should be willing to do the same. In every way he must show that he is doing what he urges upon others.

One winter I went yachting with some friends in the inland waterways of the South. On one occasion our pilot led us astray and we found ourselves one night aground in a Carolina swamp. Obviously the only thing to do was to try to push the boat off, but the crew refused, saying that the swamps in that region were infested with rattlesnakes. The owner of the yacht offered not a word of remonstrance, but turned instantly and jumped overboard. Every member of the crew followed.

Do you remember the story of the man with a new religion to preach who went to Tallyrand all on fire with enthusiasm and told him that he was going to travel throughout France preaching this new gospel. After a few months he came back to Tallyrand much discouraged. He had not been able to get disciples and he wanted advice as to what he should do. "Oh, it's quite simple," said Tallyrand, "all you have to do is to die and rise again in three days." He who for two thousand years has been our greatest leader expressed in all his life the doctrine he preached.

Before closing let me remind you that my title has not been leadership in general, but refers only to some of those aspects of leadership in which there is a discrepancy between theory and practice, and this title has guided all I have said. There are many qualifications for leadership, therefore, of which I have not spoken. There is the necessity for initiative, for the ability to seize opportunity, for that high integrity which inspires confidence, for the power of communicating enthusiasm,

for the power to liberate and make articulate the impulses of one's group, as indeed also the power to liberate and make articulate one's own impulses. I have not spoken of these and a hundred other characteristics of leadership because in regard to these there is no dispute.

Moreover, we have not considered the qualifications necessary for elected leaders. For instance, when I spoke of the influence exercised by the under-secretaries in England in virtue of their function, we did not stop to consider that many of these men could probably not have been elected to their positions. No one can be elected to any position of prominence in England who is not a good public speaker.

My subject has been restricting, but some time we must show how the leadership of function; the leadership of personality and of example, the leadership of position, and still another leadership—perhaps after all the most important—that of the man who expresses most fully the spirit of his age, some time we must show the relation of all these to one another, and study different examples of leadership where these have been combined in varying degrees.

**Conclusion.** In conclusion: if the industrial leader is a man of large understanding, of clear vision, of steadiness of purpose, if he knows how to organize all the forces available in order to accomplish that purpose, we must remember also that he not only organizes the forces at his command at the moment, but that the great leader has the power to *draw forth* the forces which are to be used cooperatively and constructively for a given end.

William James tried to show us the relation between what he called the inmost nature of reality and our own powers. He tried to show us that there is a significant correspondence here, that my capacities are related to the demands of the Universe. I believe that the great leader can show me this correspondence, can arouse my latent possibilities, can reveal to me new powers in myself, can quicken and give direction to some force within me. There is energy, passion, unawakened life in us—those who call it forth are our leaders.

"What," says James,<sup>1</sup> "caused the wild-fire influence of Rousseau but the assurance he gave that man's nature was in harmony with the nature of things, if only the paralyzing corruptions of custom would stand from between? How did Kant and Fichte and Goethe and Schillér inspire their time with cheer except by saying, 'Use all your powers; that is the only obedience which the Universe exacts'? And Carlyle with his gospel of Work, of Fact, of Veracity, how does he move us except by saying that the Universe imposes no tasks upon us but such as we can perform?"

I read recently: "It does not matter how able a man is . . . he cannot be a first-class leader unless he rubs people the right way." What do you suppose was meant by the phrase "rubs people the right way"? To "butter them up"? To "make them feel good"? There are leaders who do not appeal to men's complacency, but to all their best impulses, their greatest capacities, their deepest desires. I think it was Emerson who told us of those who supply us with new powers out of the recesses of the spirit and urge us to new and unattempted performance. This is far more than imitating your leader. In this conception of Emerson's, what you receive from your leader does not come from him, but from the "recesses of the spirit." Whoever connects me with the hidden springs of all life, whoever increases the sense of life in me, he is my leader.

### QUESTIONS

1. Are leadership and aggressiveness synonymous?
2. Is domination the chief characteristic of political leadership?
3. What does scientific management demand of the business or industrial leader?
4. How far is the control of a situation the measure of leadership?
5. What is the part of the led in leadership?
6. Does the great leader create as well as direct power?

Wm. James, *Principles of Psychology*, II, 345.

## CHAPTER XVII

### DEVELOPING MINOR EXECUTIVES<sup>1</sup>

THE development of minor executives is but a step in the larger problem of the development of leaders. It should not be considered as an end in itself to be done once for all. Certainly from the standpoint of developing senior executives, it is important to think of minor executives as potential senior material. Likewise from the standpoint of developing minor executives, it is important to think of them in this light.

If the people responsible for developing junior executives look on that as their ultimate task, in spite of resolutions to the contrary they will tend to disregard the more fundamental elements of executive development in favor of more immediately practical things. Moreover, executive development must be continuous throughout executive life, if it is to remain effective. The psychological forces bringing about mental stagnation are especially powerful under factory conditions. Unless the operation of these forces is checked by "constant effort, stagnation fortified by complacency will rapidly result in deterioration and falling behind the times."<sup>1</sup> If junior executives are to stay good executives, they must always seek to become better ones, and their superiors must always seek to make them so.

**Executive Development Requires Planning.** Industry is tending more and more to standardization of methods. This standardization has only become possible because of standardization of the materials to which these methods are applied. Human material, however, especially those people who because of their individuality are selected for leaders, cannot similarly be standardized. We must not let habits of standardization formed in the workshop mislead us into attempting to standardize the development of leadership.

<sup>1</sup> Elliott Dunlap Smith, Department of Industrial Engineering, Sheffield Scientific School, Yale University; Author, *Psychology for Executives*.

Men come to industry with much of their development—whether bad or good—already accomplished. By the time they reach even minor executive positions they have generally had training and experience in addition to their schooling. One foreman may have had only six years of grammar-school education and another two years' graduate work in a university business school; one may have had six months' experience as a workman and another sixteen years; one may have always worked on one job and another worked with four of five companies and on several jobs with each; one may have had few outside influences that were developing and another had extraordinarily stimulating and broadening experiences. With such a tremendous range of variation in background of junior executives, a superior executive is "going it pretty blind" unless he knows the facts about each person concerned before he undertakes many measures for developing them.<sup>1</sup>

Usually higher executives think they know their men, and usually to a considerable extent they do. But it has been my experience on checking myself up that I rarely knew as much about them as I had imagined before I started in systematically to make sure I knew all that I should. On this account, I have generally found it worth while to make out a written survey on which I ask and answer such questions as the following about each minor executive for whose development I am responsible. What has his education been? Has he gone to grammar-school, high school, college, technical school, or a graduate business school? Has he supplemented this education by night school, factory courses, or home reading? What has his experience been? Has he worked in other factories? What jobs has he held and how long? What does he do with his leisure? In making such a survey it is important to get not merely general, but specific answers. What technical school? What night school courses? What factories, etc.?

After one knows as fully as possible the significant facts

<sup>1</sup> The problem of selecting men for development as junior executives has been treated elsewhere in this course. This discussion relates to the development of men who have definitely been selected to fill minor executive positions, or are already actually filling them.



about each man he is planning to develop, it is worth while to think out carefully just what each man's good and bad points are and in what respects he most needs development. Here again I have found it worth while to write down as part of the survey I have referred to what I feel each junior executive needs. What technical information does the man need that he has not already got? What particular skill in the broadest sense of the word "skill" does he require, and how much of it has he already acquired? What general background and qualities of mind and heart (I wish particularly to emphasize the latter) does he need, both now and if he is to graduate to something bigger, and how far has he got these things? With this knowledge of each man and of what we desire to develop in him, we are ready to think out equally definitely and individually what particular measures it will be best to take in each case.

However they are done, preparatory investigation and planning play an important part in the successful development of junior executives. Nor should such planning be thought of as only preliminary—as something done at the beginning and gotten over with. It is preliminary to the work of developing executives only in the sense that factory planning is preliminary to production. It must go on so long as executive development continues. To know what progress has been made, to adapt methods to changes in conditions and in individual needs, to make improvements based on past experience, to make sure that the work of executive development becomes neither routine nor haphazard, requires checking up and re-modelling plans from time to time as the work progresses. The planning of executive development to be most effective must be individual, be continuous, and be a means of improving technique under the guidance of current experience.

**An Executive is Developed by Action.** The principal aim of executive development should be developing skill, understanding, and attitude, not stuffing men with factual information. If men have worked their way up to junior executive positions, it is probable that much of the information that they

require has worked its way into them. If men have gone through technical and business schools, they are probably amply supplied with information except of the more immediately practical sort, and most of this cannot be written down nor told to them. By and large, men must get immediately practical information and understanding from experience. College and business school graduates, though their special training is of inestimable value, are no exception to this rule. If they are going to make good minor executives, they ought first to become good employees and learn something about materials, machines, methods, working conditions, fatigue, and employee attitudes from having been on the job themselves. It is true that we cannot expect these men who have spent twenty to twenty-five years in acquiring an expensive education to plod their way by mastery of manual technique through the same tedious approaches to executive promotion as men who come to industry at sixteen to eighteen years of age. But that does not mean that they need not have *bona fide* employee experience, nor win their way to promotion at every step. For some time at least they may be kept on manual jobs and paid regular employee wages. If they are helped to realize the importance of this actual experience to their future careers, and, instead of being kept in one place, are transferred from job to job so that in one year or two they get a wide contact with manufacturing processes, they will not thereby have been done an injustice nor will they think so. Nothing else in the development of junior executives can wholly replace a background of practical industrial information and understanding based on actual experience as an employee.

To develop ability and attitude just as to acquire a background of workshop understanding, we must look principally to action. Ability and attitude as far as they can be developed, rest upon habit formation, and habit formation upon action. Hence modern professional education has more and more turned away from test book learning, and looked to the handling of problems to develop the habits of mind upon which ability rests. Industry in developing executives should follow this lead.

**Responsibility Builds Strength.** In developing men it is not only important to give them opportunities for right action through experiences which exercise their minds and their character, but to give them opportunities for *responsible* action. While most of us like our jobs, we know that they are work and not play. For the distinction between play and work does not depend upon whether action is agreeable or disagreeable. It depends principally upon our sense of responsibility in regard to that action. In play our action, within certain limits, is irresponsible—we do what we do because we want to, not because we are responsible for results. In work our decisions and actions are responsible. They are taken solely because of their consequences and because we bear responsibility for the results we obtain. It is this responsibility that makes work work, no matter how pleasant it may be. So if we would develop true working habits, not study habits nor play habits, we must provide opportunities for responsible action. In addition, because of that responsibility the experience will cut deep and working habits form quickly. It is in providing opportunities for responsible thought and action and giving contact with actual things and not descriptive things, that the factory has its most effective means for developing leaders, and one which no educational institution can wholly duplicate.

To be given fully responsible executive experience a man must be given an executive job which he takes, not as a student, but on a permanent basis. It must be his own job on which month after month he must reap the results of his own conduct. The job should, also, whenever possible, be a job which will give him those problems and experiences that will best serve to develop the particular abilities of which he is in greatest need. Moreover, his superior executive should provide him with supervision, stimulation, and guidance which will help him to make his decisions properly, and to handle himself in such a way that he will develop good habits of thought and feeling that will stand him in good stead as he progresses in his work.

**The Power of Executive Example.** How can this supervision best be provided? First and foremost by example—the example of direct superiors being by far the most important. Junior executives watch closely the patterns which their superiors give them and more than they are aware of, since imitation is largely unconscious, junior executives imitate the patterns that they are given. Since in imitating, they imitate feeling more than superficial action, the example must be genuine or it will do harm rather than good. If it is a sham, it is the shamming above all that will be imitated. The example given in little things is fully as important as in big; for the small situations are frequent and habits formed in them grow strong. So an important step in developing junior executives is to place them under superiors who are proper examples, and to seek to be true leaders in the example we ourselves give.

**The Technique of Development by Supervision.** In addition to example and to such supervision as is incidental to the workroom problems that come up from day to day, the formation of proper executive habits can also be guided through providing for consultation between junior executives and their superiors and between them and their colleagues. Especially while a man is new he needs consultation—he needs apart from direction a chance to think out loud, to exchange opinions, and to learn the point of view of more seasoned men. To provide for contact with superiors only at times when some particular problem is at issue or some error has occurred, is to provide for contact only at times when the junior man is usually thinking only of the particular case in hand, or of how he can explain the situation. He is not looking for guidance and help in the general conduct of his job. If those are the only contacts, the man will tend to form a defensive attitude toward his superior. An especially important contact for junior executives with their superiors, therefore, is when there is no particular difficulty or issue to thrash out. Then the superior can sit down with his junior and go over the total situation. He can encourage him to bring up those things that are troubling him most, give him advice as to the places where he should seek improvement.

and give him encouragement from those places where he has made improvement. Possibly, the first of these conferences will be stiff and even unfruitful, but if the senior executive really cares for the man underneath him and is anxious to promote his progress, it has been my unfailing experience that very shortly these conferences become pleasant and abundantly worth while.

Such conferences are rendered more effective if at times they are coupled with general reports of his accomplishments, his problems, and his plans for the future. To study and to report upon the conditions of his work, upon the opportunities for development which exist, and upon the specific means which he is planning to take in order to utilize them, requires the minor executive to look at his problem as a whole. It prevents him from being caught in the daily round, and from overlooking the larger needs of departmental and personal development. It develops his capacity to think logically and express himself clearly. It gives focus to his contact with his superior and enables those contacts to proceed directly to fundamentals.

It is almost as hard for a junior executive to come into constructive contact with his colleagues as with his superiors, unless some definite provision is made. Without provision, executive contacts are likely to be too much confined to executive conflicts. On this account periodic group meetings for discussion of departmental and divisional problems are an important element in executive development. It gives the men a chance to form the habits of constructive contact under the integrating influence of a superior, and enables the men to see their work in relation to the work of others. Of course, conference of any sort can readily be run into the ground. In undertaking any such measures we must season our decisions with the salt of common sense and a prudent respect for expense. But if this is wisely done, such conferences may be made thoroughly worth while.

In providing this development on the job for junior executives, the man who must carry the principal responsibility is the superior executive on whose payroll the junior executives

are. The development of executives through their work is so integral a part of the task of management that a manager cannot delegate it to staff men except for advice, suggestions, and supplementary help. A manager is known by the executives that he builds, and he is known by them primarily because they tend to mold themselves in his image, regardless of what steps may be taken by others to direct their growth. A specialist on executive development is sound, therefore, in conceiving of his task as first and foremost that of working with the executives who are in charge of the activities of juniors, so as to bring these higher executives to understand, to plan and to carry out the development of the junior executives on their jobs.

**Experience on Related Jobs Gives Breadth.** Although supervised experience on his own job is preeminent in developing a minor executive, it can always be made more effective by supplementary measures. In my experience nothing, apart from direct training on the job, is more fruitful in developing a junior executive than to transfer him for several weeks at a time to other work, such as work in the Employment or Research Departments, or some production department whose work relates to his own. On these jobs he will get a wider knowledge of the company. On these jobs he will get a clearer conception of his own job from seeing it from an outside angle and will acquire an awareness both of its opportunities and of his own shortcomings. Often it pays to set apart a year or several months, preferably near the beginning of a man's executive career, to put him through a systematic course of transfers to positions which together give him a well-rounded contact with all sides of his job. Usually it is well to couple with this intensive experience, intensive study under guidance. Even with executives who have been longer on the job and who have passed through their preliminary training, occasional temporary transfers are important if only to prevent stagnation. Invariably, men who have thus been transferred come back to their own work with the freshness of a new broom and with its ability to sweep clean. When such transfers cannot

be arranged, trips to other companies exercise an invigorating influence and form an important educational tool.

**Study Has Its Place.** To impart such technical information as can be assimilated verbally, evening courses run by the company provide the quickest and surest means, when there are enough men who need this information to make such courses practical. Vigorous courses, whether technical or cultural, in addition to their informational value provide a means of keeping the learning capacities of the men alert, of broadening their background, and of causing them to look beyond the routine and practical aspects of their work. Certainly, if a man is benefited by such courses in college, a man in a junior executive position, especially if he has not been to college, will be benefited provided the courses are of a high grade college calibre. However, cultural courses, to be successful must ordinarily be related in some way to the work of the factory or to the industrial situation. Unless this is done, the men frequently fail to see the significance of what is taught. The exact and the social sciences, and English composition especially, can generally be thus related by an instructor who takes the pains to understand his students and their work, as well as his subject, but such instructors are rare. Usually the difficulty of getting a satisfactory instructor is the rock on which factory courses go aground. In teaching factory courses, lectures are usually unsatisfactory. Factory men are not trained listeners. In addition, merely to listen does not exercise and expand the mind as active participation does. On the other hand, courses conducted through discussion have proved well adapted to factory conditions, especially where problems are assigned in advance that relate to the subject of the course.<sup>1</sup>

Perhaps more effective than classes in broadening and developing men's minds are discussion clubs. The several successful clubs I have known are all purely voluntary. They

<sup>1</sup> The technique of conducting factory discussion courses is outlined in greater detail at pp. 245-49 of *Psychology for Executives*, E. D. Smith (Harpers).

meet once a month or once every two months, without any higher executive present and without a permanent chairman. At each meeting one member in rotation prepares to discuss a subject, or in the case of literary clubs, a biography or a book. Usually the members eat together and, after supper, the speaker presents his case for about an hour. Then follows a general discussion on the part of all members. The subjects show a wide range. In most of the groups the speaker may choose any subject he pleases, provided he does not talk "shop." In practically every case in the first year or two, the men choose subjects from their own experience. Nearly everyone has a hobby, or has had some experience in the past which he can talk about. Whether drawn from past experiences or present interests, the subjects are rarely academic ones on which a discussion is prepared merely for the purpose of having something to prepare a discussion about, but are subjects which are a living thing to the speaker.

It is in their self-direction and absence of supervision that the principal merits of these clubs rest. This brings forth a freedom of discussion that is not possible with a supervisor present. This places upon the person leading the discussion at each meeting the whole responsibility for preparing himself and for maintaining his opinions against unrestricted attack. This places upon the members of the group entire responsibility for their statements and the conclusions. This gives these clubs an appeal that causes them to go on year after year. The men realize that they are their own and that they are worthwhile.

A valuable supplement to all such educational work, of course, is reading. Many junior executives—though by no means all—will read actively and intelligently if given proper guidance and facilities. But unless they are college men they usually require both the building up of an awareness of the value to their own development of reading good literature, and especially at the start, careful personal guidance as to what and how to read.

All this work is supplementary to training on the job,



however, and this should never be lost sight of. All this supplementary work, however, gains much of its value through being related to the performing of a permanent executive job. Without this, both experience and instruction are likely to lack interest and reality, to be loosely assimilated and to be disintegrated from lack of a correlating pole. Such supplementary measures, of course, constitute an expense that can only justify itself by results that outweigh the cost, but if properly handled can amply do so.

**The Problem Boiled Down.** In general then, we should consider the developing of minor executives as a step in the larger problem of the developing of leaders. We should plan it, not leave it to chance. We should know our men and what they need, and adapt our work with them to their particular situations. In an age of standardized production, we should carry on individual development. And with no man, so long as he is an executive, should we ever let ourselves consider his problem of development as wholly at an end.

The supervised performance of his own executive job is the predominant means of developing an executive. All informal and systematic educational measures—workroom supervision and example, conferences, transfers, courses, clubs, or reading—are essentially means of bringing out and supplementing the educational value on the job. Such education on the job prevents the failure of principle to take root in practice. As it is, learning under the actual conditions of executive work, the formation of fragile theoretical practices and standards that break down under the impact of complex and intractable reality are unlikely. Such an education is continuing and so not limited to a definite term.

The primary responsibility for such development of minor executives must rest on the shoulders of the higher executives to whom they report. Yet in an equally true sense this responsibility rests on the men themselves. Unless our work for them and with them includes bringing about an awareness of this responsibility and a capacity to assume it, and unless it

develops them in mind and character as well as technically, our success will be limited.

### QUESTIONS

1. How can a company make sure that it will have first-rate executive material coming from the ranks?
2. How can college graduates be made into trained executives?
3. How far can the development of minor executives be left to foremen and to apprenticeship?
4. How can supervision on the job be made most effective?

## CHAPTER XVIII

### DEVELOPING LEADERSHIP IN BUSINESS<sup>1</sup>

WHAT is leadership? What are the particular abilities which contribute most to effective leadership? How can they be discovered and developed?

It is possible to approach these questions inductively. We might collect concrete instances of leadership, examples of what leaders do, in leading. Then, analysis and comparison of the actual behavior of these successful and unsuccessful leaders would throw into relief the contrasted types of behavior they exhibit and shed light on the laws of human behavior which are the psychological foundations of leadership. Such an inductive approach is the subject for a major research. It calls for a great deal of help in collecting factual material from the actual experience of executives. The methods of the personal interview, and the conference with both supervisors and supervised should be supplemented with a rich assortment of written anecdotal material: accounts of precisely what happened when a leader succeeded or failed to win his objective. Material from the biographies of great leaders is at hand, full of suggestiveness but rather difficult of systematic analysis.

In the absence of facilities and time for a major inductive investigation, our present study of leadership must take the form rather of a definition and statement based upon analysis of the concept of leadership, illuminated by such concrete illustrations as may be supplied by members of this group, or found in such books as Craig and Charters' *Personal Leadership in Industry*, which was written after an inductive study of 110 successful executives.

**Definition of Leadership.** Leadership is the organization of the activities of a group for the achievement of a common

<sup>1</sup> Walter V. Bingham, Director Personnel Research Federation; Co-author, *Procedures in Employment Psychology*.

From *Psychological Foundations of Management*, edited by Henry C. Metcalf; used by permission of the publishers, McGraw-Hill Book Co.

purpose. So defined, the concept is broad and inclusive. Practically all groups—even Quaker meetings—have their leaders. Sometimes the leader keeps himself in the background and is not overtly recognized or named as such. Occasionally the real leader and the nominal leader are different persons. But almost always a group of people, whether workers, society women, business men, athletes, boys or girls, when active together in accomplishing a group purpose, defer to someone's leadership no matter how informally the group is constituted. It seems to be inherent in human nature for any person in dynamic social contact with others to take either the dominant or the submissive attitude. He either leads or follows. So one might range far afield for examples of good and poor leadership. He might observe the behavior of military commanders, like General Butler; social reformers, like Wayne Wheeler; priests and pastors, like Dr. Fosdick; political bosses, like Murphy or LaFollette, heads of social agencies, like F. A. Woods or Jane Addams; chiefs of criminal gangs, like Gerald Chapman; arbiters of society, like Mrs. Vanderbilt; university presidents, like Eliot or Harper; chairmen of women's clubs; explorers, like Stefanson and R. C. Andrews; orchestra conductors, like Toscanini; founders of cults and schools of thought, like Mrs. Eddy or John Dewey. But it will be most helpful if we gather at least a major portion of our data from the zone of activity with which this series of conferences is concerned, namely, industrial management. Though we may recognize that the phenomena of leadership may be profitably studied in politics, war, social reform, philosophic thought, scholarship, sports and games, hunting, society, criminal gangs, religious bodies, juries, school and college classes, professional groups, and the family (for even there the question as to who is leader sometimes arises), nevertheless it will be advisable for us here to confine our thinking to problems of leadership and the techniques of leadership as they are seen in business and industrial situations, adverting to these other sorts of leadership only for incidental purposes of illustration or contrast.

Leadership in industry provides ample variety of types for

study. The administrator is the leader determining policies. The planner is the leader thinking out policies or procedures, broadly or in detail. The organizer is the leader initiating group activities, winning acceptance to group purposes, apportioning individual responsibilities and tasks, securing cooperative action. The executive is the leader securing results—maintaining and developing the organization, carrying plans and policies into effect. The supervisor is the leader in personal contact with his subordinates, teaching them, assigning them their duties, motivating them with encouragement or with reproof, recognizing merit and superior workmanship, disciplining when necessary but forestalling wherever possible the occasions which would lead to disciplinary action.

The gang boss or the section head is the supervisor who is leader of a front-line group of workers. The foreman or the division supervisor is the leader of all the workers and supervisors in his department. The superintendent is the leader of his foremen and of his staff. The general manager likewise is the leader of his staff assistants, as well as of his superintendents and the organizations they supervise; and so also with the vice-presidents, the president, and the chairman of the board. All exercise leadership. No single executive has a monopoly of the function of leadership.

Moreover, it must be stressed that there are also in almost every industrial group, real leaders without status—workers who are not supervisors or executives according to the organization chart, but who by sheer force of superior energy, intellect, skill, initiative, persistence, self-reliance, friendliness, or devotion set the pace for their fellows, guide their actions, and—for good or ill—mould the aims and standards of the group. It is not always the chairman of the board who swings the vote at the directors' meeting. It is not always the boss of the gang who determines its attitude. Leadership may be quite independent of status. We can learn a good deal about leadership by studying instances in which the actual leadership rests elsewhere than in the nominal head. Appointment to an executive office does not necessarily carry leadership with it.

Leadership and authority are two distinct concepts. Leadership is found, then, throughout the entire hierarchy of organization.

What are the main elements of leadership? Some are intellectual; some are predominantly social—elements of leadership which imply the actual impact of personalities.

Since leadership is the organization of the activities of a group for accomplishing a purpose, it is bound to be ineffective if the purpose or objective is not the right one, or is not clearly thought out and formulated. Some leaders excel because they can plan. They can think all around and through the problem which confronts the group. They can see their goal clearly and the road which leads toward it. Intellectual grasp of the problem would seem to be a prime requisite of leadership in all those instances in which the purpose has not already been explicitly defined.

Leadership in its intellectual aspects, then, implies ability to define the ultimate objective and also the immediate objective—what is to be accomplished tomorrow. Leadership in industry, no less than in war, involves both strategy and tactics. Purposes remote and immediate must be formulated, and the best means of realizing them thought out.

Other things being equal, that leader, then, is the best leader who has the soundest social and ethical philosophy as a foundation for his thinking. Other things being equal, that leader is the most effective who has the keenest mind, who has the most complete knowledge of business principles and facts pertinent to the decisions to be made, who understands most completely what is to be done, how results are to be achieved, and who can be counted on for effective action. Viewed from this angle, the leader must be something of a scientist as well as a social philosopher, for then he will not only be a respecter of fact rather than opinion, but will know how to secure, analyze, and interpret the information necessary in order to make the sound judgments that are the basis of leadership. The leader is, then, first of all, a clear thinker and a wise, skilful planner, and he has both the special knowledge and the fertile imagination which enable him to exercise a leader's foresight.

A leader is not successful, no matter how effective his personal qualities may be, if the goal is not clearly defined, the means to its achievement clearly thought out in advance, the plans definitely laid, clearly formulated, and put in shape so they can be understood. These requisites of leadership demand a store of technical information, the ability to plan, foresight, the kind of imagination that enables one to anticipate emergencies and forestall difficulties. The executive who lacks this intellectual equipment may still be a powerful leader, provided he has a superior advisor or a competent planning department to do his thinking for him; but it is indispensable that somehow this intellectual element of leadership be supplied. As industrial management has evolved, this intellectual factor has assumed relatively greater and greater importance. The industrial leader today has his budgets, working plans, production schedules, assignments, orders, all well in hand in advance.

We are often told that promptness of decision is an important element of successful leadership; but too frequent need for making quick decisions is a confession of poor foresight. Granting the value of technical knowledge, sound judgment, and the freedom from inhibitions which makes prompt decision possible, the ability to forestall the need for sudden decisions is even more valuable. Important decisions are more and more often made on a basis of fact rather than of expert opinion. And it takes time to get the facts. Hence the great industrial leader today is not the one who is frequently under the necessity of making sudden decisions.

Planning and intellectual foresight are unquestionably basic to effective leadership.

But suppose the objective has been formulated. The boss of the gang has been instructed to dig twenty feet of sewer ditch, and the familiar blue prints are at hand. The sales manager has his assignment of territory, salesmen, and quota. The office supervisor has been directed to take care of a peak load of correspondence without adding to the pay-roll. The president has received from his board the injunction that his

vice-presidents should be brought into closer cooperation on an announced company policy regarding the development of executives through systematic transfer.

In each of these instances, one leader will fail where another succeeds, not because the goal is uncertain in his mind, but because he does not make the goal clear to the members of his group. He must be a personal leader as well as a planner. When he falls down, the defect may be through failure to set up the right organization to achieve the goal; or failure to impart to the group his own clear understanding of the goal and the share of each in working toward it; or inability to teach each member how to do his part; or inability to inspire him to want to do it. The leader is, then, a planner, an organizer, a teacher, a disciplinarian in the broadest sense of that term, and an inspirer. Moreover, he must combine with these abilities the personal and social insight or tact which enables him to get loyal cooperation. The group must be a team, pulling together. How this is done, Miss Follett has told us most illuminatingly.

In the *Journal of Personnel Research* for June, 1925, is an article by Miss Bills, "A Case Study of Two Business Men." These men were managers of chain stores in cities closely comparable as to size and character of population. These stores were about equally prosperous. Their managers had the same merchandise, the same supervisors and inspectors, and practically the same employment problem. In short, by outward appearances their jobs were as nearly identical as one can find in a complex business.

The Bureau of Personnel Research at the Carnegie Institute of Technology was at the time making an investigation of a number of the stores in this chain and of their managers. Each of the managers was given an intelligence test, a will-profile test, and a social relations test. There was also a rating of all the managers by each other in a series of traits, a detailed study of the store methods of the managers, and, finally, a study of the record of every store as regards turnover, gross sales, mark-down, and gross and net profits.



A comparison of the test scores, ratings, and personal history of these men is summarized by Miss Bills as follows—

We have in A the keen mind, the dashing personality, the good fellow, a wide knowledge of the items that fill ordinary business conversation, but instability and unwillingness to settle down to daily routine. In B, we have the man of average intelligence and quiet personality; a man not socially inclined and with little knowledge of the small talk of the business world, but stable, saving, and a hard routine worker.

A week spent in each of the stores and a close study of their sales records explained why two men of such entirely different temperaments were apparently making equally good on the same job.

Manager A ran his store by brilliant ideas and then lapses. One month he soared and the next month showed him a "tail-end." A study of net profits over a five-year period just closed shows great fluctuations in Manager A's record. He was almost always overstocked in one department and much understocked in another. The chances of his being out of staples was high, and his mark-down on "fancy goods" was often serious. The week we spent in his store he had the town "taking notice" on one sale, but he was out of white thread number 50 during the entire time with no apparent idea of remedying the lack. He stood well in the community and was known by other business men. Twelve out of fifteen men picked at random and interviewed knew him by name. During this week he received 17 friendly calls from other merchants in the town. His saleswomen either worshipped him or hated him. An appeal to his emotions would make him sacrifice his last cent. He swore like a trooper but most of the time unconsciously.

Manager B's store ran steadily along, month by month and period by period; the one exception to the even run being occasioned by a condition for which he was not responsible. He saw to all details of store management with the greatest care, his staples never ran low, and he was seldom overstocked. His mark-up ran consistently good, and his mark-downs were seldom serious. He guided his buying by statistics. If he bought 60 hot water bottles last year, had 6 left and expected 20 per cent increase this year, he would buy 66 hot water bottles. His stock was methodically kept neat and clean. His records were almost perfect, and his day was regulated like clockwork. The store stood well in the community, but the manager was not known personally by the other business men in the town; only two out of eleven picked at random and interviewed knew him by name. He received no calls from other merchants in the town during the week of our stay. His saleswomen had "nothing to complain of," but they seldom went to him with their troubles.

These two men are so fundamentally different that it is beyond imagination to think of them ever operating under the same methods. Four years of effort by the home office to get Manager A to buy from known facts rather than from hunches has failed. Manager B cannot build up enthusiasm among his employees, try as he will.

The general method of management of these two men might well

have been predicted from their test scores and personal history records. Had the tests ranked these men equal, we would say the tests were worthless. Since they clearly differentiated between the two managers, we feel that they have shown their possibilities for this purpose.

Four years have elapsed since these men were first studied. Of the two, Manager B is now showing the better net profits. As has been noted, ratings of the two men by the other managers failed utterly to pick the better man for the job, partly because the items were not properly chosen, and partly because a man of Manager A's type tends to be better known and liked within a group than a man of Manager B's type. Ten more years may see such development in the standardization of the job that two such divergent types will not be holding managerships. However, both men have made sufficiently good to justify fully their employment and retention.

Here are two men, heads of similar organizations, markedly different in personality, markedly different in intellectual ability, each succeeding moderately by very different methods. A contrast and comparison of the two emphasizes points in which each one would be a better leader if only his abilities were supplemented by the qualities of the other.

Ability to plan, to base one's judgment on facts, and to work systematically and methodically, which Manager A did not exhibit and which Manager B did, are certainly elements of managerial ability in that situation. They are essential attributes of leadership whenever there is a real task of defining the objectives or working out organization plans for carrying them out. On the other hand, the manager who lacked these particular abilities and who in four years of supervision failed to develop in these regards, nevertheless succeeded moderately in his managerial position because he had the social qualities that made people like him and want to work with him, that made customers want to come to his store, that broadened his acquaintance throughout the town, and so on.

A striking instance of successful leadership in factory management was described by Mr. Hayden Hull, a member of the class, as an illustration of the way in which an executive can unify the spirit among the younger executives and become a power in the organization—

He went into this organization and simply let people get to like him. He demanded nothing, he made no overtures, but gradually let himself shape into the consciousness of the people in the company and, so far

as he was able, he also mixed in the community. He put his hooks out in both directions. The community and the company were closely related, so he had a favorable opportunity to do this. The first thing he gained was actual *confidence* in himself as a man—not only confidence in his honesty and personality, but confidence in his judgment. People gradually began to see that when he said something he meant it. He was, as a matter of fact, a man of unusually broad, quiet, balanced judgment. Then, as he found himself getting stronger, he gradually began to assert himself in the affairs of the company. A difficulty would come up, and they would argue it awhile; then he would break in with his own ideas and opinions; and because these men had all come to like him, there was no antagonism. They had confidence in him, there was no questioning of the honesty of his views or the soundness of them. He gradually acquired more and more influence, and people put more and more responsibility on him—as they are in the habit of doing when they find someone who will carry a load. Finally, he became head of the organization and was given the title as well.

Can personal leadership be developed, or is it an inborn trait which needs only opportunity to bring it out? The intellectual requisites of leadership, everyone will grant, are subject to the common familiar educational laws of learning.

Are the personal qualities of leadership likewise capable of training and conscious development through systematically directed practice? Below are fifteen qualities or abilities, selected from among those which Craig and Charters, in their inductive study of personal leadership, found to be characteristic of successful supervisors—

Forcefulness.

Ability to command respect.

Impartiality.

Control of temper.

Personal interest in the men.

Ability to train them.

Ability to give clear and detailed instructions.

Ability to follow up and see that instructions are carried out.

Ability to get and use suggestions of subordinates.

Ability to get teamwork.

Ability to praise wisely and to reprimand effectively.

Ability to create a spirit of accomplishment.

Ability to develop enthusiasm when that is desirable.

Self-confidence.

Ability to develop self-confidence, particularly in the new employee.

These are, undoubtedly, some of the important components of leadership ability. Can they be developed? Can they be taught?

It has been contended that leaders can be discovered but not developed; that the only way to make a leader is to give him an opportunity to lead, to exercise the unique traits of leadership which he inherited. The student of psychology holds precisely the opposite position. He maintains that leadership ability can be developed, and that it can be taught much more effectively if the task is approached systematically and analytically, and with definite rather than haphazard purposes.

In this regard there is an analogy between the concepts of leadership and of personality. Personality used to be a vague, magic term referring to a mysterious, precious quality with which some are born and which some of us lack. If you have it, you are tremendously fortunate. Your rating on an application blank will be high and the chances for advancement rapid. If you go on the stage, you will be a great success provided you have personality. If you are a singer with a wonderful voice, you nevertheless will fail of popularity if you lack personality. And so on. A person without this rare quality is doomed so far as his success in a social career is concerned. If he has it, the gods be thanked!

The day has passed when people thought of personality in that way; it passed just as soon as they began to study the actual behavior of people who exhibited effective personality in contrast to those who did not. They found that there are differences of behavior patterns, differences of ways of speaking and using the voice, of gesture, of facial expression, of posture, of quickness of action, of emotional expression and emotional control; and the total of these aspects of behavior, including the temperamental characteristics, footed up to what one formerly called personality. Personality is a big, broad conception covering the sum total of one's characteristic ways of behavior, and when personality is analyzed into its many components, and the question raised whether any particular components can be developed, it is quickly seen that a great many of them are subject to improvement through intelligent training. If you have contrasted the personality with which a gawky or timid or impudent freshman enters college with the

self-controlled, confident, but modest attitude with which he leaves; when you think of some of the rough spots that were knocked off by his classmates and fraternity mates or by his experiences during his vacations, selling from door to door, you will quickly grant that the personality with which he left college was not something with which he was born nor something that he brought with him to college, but something that he acquired during those four years.

So with leadership. Leadership ability is complex, but it is entirely capable of analysis; when you break it into its elements and note the specific sorts of behavior which differentiate the successful leader from the unsuccessful, you discover that these components of leadership are capable of development through training.

In developing these different components of leadership, the general laws of learning apply here quite as much as they do in acquiring skill in golf or in playing the violin, in acquiring ability as a public speaker or an actor. The laws of learning are much the same wherever they need to be applied. It is unnecessary here to rehearse the long schedule of these laws of learning as they apply to acquiring these abilities of leadership. I shall emphasize only two or three important points sometimes forgotten but, nevertheless, useful in training one's self or in training one's subordinates to be good leaders.

The first of these is: Concentrate on one point at a time. Don't try to develop the whole gamut of leadership traits simultaneously. This presupposes an analysis to discover which of the leadership traits one already possesses, and which of one's behavior patterns are most in need of correction or development. Suppose that one has analyzed himself and found that one outstanding lack in his leadership behavior is evidence by a tendency to procrastinate or to delay decisions. There may be rare souls who, the minute they recognize such a defect, can forthwith decide that hereafter they always will make up their minds at once and put the decision into action without further procrastination. That is not the way most people are made. They must bring to bear the laws of habit formation.

They must work out a definite procedure for correcting that fault. One must bring to bear upon it the impetus not only of his own decision, but also the added force which comes from letting other people know that he is working on that point. Then you remember the law of habit formation which emphasizes the importance of letting no exception occur after the new course of action has been started upon. You work out a specific program for dealing with that one particular element of leadership. You correct the wrong habit and substitute a specific, positive line of behavior for it. When it is a matter of getting rid of a fault, the way to get rid of it is not merely to eliminate the fault, but to substitute a different action pattern.

There are further the laws of drill and repetition, of providing occasions for the exercise of the new habit, and so on. For every one of the elements of leadership behavior it is possible to work out a program of habit development which will make it possible to improve in reference to that particular element. It is not implied that some are not born with a great deal more latent leadership ability than others. They do not have so many of these habit patterns to acquire consciously, nor so many of the wrong habits to eliminate.

The problem of the development of leadership in industry is a twofold one. We have been speaking of ways of improving one's ability to lead; but there is also the prior consideration of how to discover natural leaders. The most obvious suggestion is, "Give the workers the opportunity to exercise leadership." Mr. Dennison's factory, as you know, has a great many committees. I have heard an engineer say that there are altogether too many. Mr. Dennison's rejoinder is that in the activities of these committees leadership ability is discovered. When the employees are engaged on committee work or in conference, the unsuspected abilities in this direction emerge. Secondly, these committees are useful not only in discovering such leadership talent, but also in giving it exercise. So Mr. Dennison persists in keeping his numerous committees in spite of the fact that they sometimes cause trouble.

The way to discover leadership, then, is to give opportunity

for it or even go the length of requiring it. As an illustration may be cited an experiment at the Carnegie Institute of Technology in connection with instruction in mechanical draughting. This experiment followed upon a job analysis of the work of the graduates of the school, which revealed that the one and only characteristic common to practically all of the jobs was that they demanded ability to manage men. But the curriculum provided no specific training for leadership as such. So the faculty undertook to remedy the situation in two ways. One was in connection with the Industrial Management Course, to introduce a discussion of the elements of successful leadership and supervision and how they might be developed. More important was that the faculty undertook to work out a program of training in leadership by giving the students a chance to exercise leadership. This was done in connection with the required course in mechanical draughting. Not long after the opening of the year the class of a hundred students was given a project which involved the detailing of the parts of a rather complex machine. That was a difficult task. But the task as a whole was carefully broken down into many parts, and these different parts of the job were assigned to different squads; the work of any one squad of three or four students had to result in a drawing which would articulate properly with that of the next squad. The class as a whole worked together on this one project and the resulting product was a comprehensive, detailed, working drawing of all the parts.

Each of these squads had a squad boss. Week by week, different members of the class were assigned the responsibility of being the bosses of their particular squads. Members of the sophomore class were given an opportunity to supervise sections of two or three of these squads; and the instructor functioned virtually as superintendent or general foreman of the whole drafting department, as it were. A serious effort was made to give every member of the class a chance at supervision, a chance not only to read from a book, or to hear lectures about it, but to bump up against the difficulties a supervisor has to meet in getting results from a group.

Both in the discovery and the training of leadership, opportunity to exercise leadership is essential. Is it not also true that the most successful leadership is the one which provides opportunity and incentive for the exercise of leadership by the members of the group, as well as by the titular executive or leader?

My fundamental proposition is that leadership as a whole is a group of qualities which are subject to improvement through conscious, systematic, planned training and development through exercise.

Then, too, the fundamental intellectual basis of leadership must not be forgotten. As Mr. Dietz says—

Leadership comes only through mastery of a business. A man makes a good captain of a football team because he knows football. A captain of a ship knows navigation. A captain of a military company knows military technique. General Goethals did not know business, perhaps; therefore he was not a successful business man, but he was a successful structural engineer and built the Panama Canal. Leadership is not an abstract quality; there must come with it a basic, inherent knowledge of the vehicle through which leadership is expressed.

No matter what one's personal qualities are, if he lacks the technical insight, the knowledge, the understanding, the imagination, essential for solving his particular problem, he lacks leadership ability in that situation.

It has been pointed out that one quality of the leader is good health, energy, vitality, or staying power. Leaders are apt to have greater vitality than the people they lead. These physical qualities are components not only in leadership, but in other sorts of accomplishment as well. The intellectual giants who have done great scientific work have mostly been people with vigorous physiques, with enormous capacity to endure fatigue and to work at high pressure for long hours.

These qualities, too, are partly native endowment and partly an achievement. Witness Theodore Roosevelt, the puny youth, the powerful president, explorer, fighter. All of us can either waste or conserve our vitality voluntarily. Here, no less than in the other fields, conscious attention to a particular element will sometimes improve one's leadership accomplishments.



Finally, mention should be made of incentives to leadership. Men differ greatly in their desire or wish to lead. Some are fond of social situations and prefer to assume the positive rather than the negative end of these social situations. There are, on the other hand, those who much prefer to work at something which does not require social contacts, which does not call for any exhibition of personal leadership. It is distasteful to them. When it is a matter of choosing a career or choosing a job, this difference of temperament and taste in the matter of social relationships is a powerful consideration. So when we speak of discovering leaders, we certainly want to find those who are fond of personal contacts and who do not find it distasteful to supervise and deal directly with people.

To summarize: The intellectual components of leadership that are involved in judicious planning, in wise organization, in foresight, are qualities which can be developed; and the techniques of developing them are not different from those of any wise educational procedure. On the personal side of leadership, also, the laws of learning and of habit formation apply. Although the steps have not been written down in the books with so much clarity, nevertheless it is equally true that habit patterns of effective personal supervision are susceptible to training. When this emotional situation and that social situation are carefully scrutinized, and a plan prepared for its successful handling, one sees that on the personal side no less than on the intellectual side, it is feasible to develop the techniques of leadership. So may the area of competent leadership be broadened and the number of those increased who, understanding their function as that of effecting "a constructive and integrating growth" of their group, have the skill as well as the wisdom to accomplish that end.

## CHAPTER XIX

### THE NEED FOR A NEW TYPE OF SALESMAN LEADERSHIP<sup>1</sup>

SALESMAN leadership is influenced by competitive conditions and the trends of business as they influence selling.

Competition compels the earnest endeavor to reach the highest possible efficiency in selling as well as in production. National advertising or even regional advertising makes it necessary, if full benefit of the advertising is to be realized, that the policy of fair representation of goods and square business dealing must be followed.

The agreement between the twenty-seven North Atlantic Steamship Lines illustrates the influence of competition on selling practices.

Furthermore, competition makes it necessary that sales conditions be thoroughly analyzed. Not only market conditions must be analyzed, but the individual customer is analyzed, and the qualifications and characteristics of the salesman are analyzed to determine the order in which he will undertake the various steps in his selling effort, and the methods to be followed in selling.

In order to secure the efficiency that is compelled by competition, it is necessary to thoroughly train salesmen for their specific selling duties. This paper will deal with analysis so far as it relates to salesman training, and with instruction methods that are suited to sales training.

An analysis of the salesman's duties may be grouped into two phases: (1) Service, and (2) Selling. Both of these phases are necessary in successful and continual selling. In some instances the emphasis is on the selling effort without service. This is likely to result in transient or short-lived business. In

<sup>1</sup> E. E. McNary, Educational Director, Continental Baking Corporation, New York City.

other cases a salesman will rely on the service that he or his organization gives and fails to make the necessary selling effort. A competitive salesman who sells will have the same advantage over one who does not sell.

It is important that a salesman can clearly distinguish between service and selling, and can properly utilize both of these phases. At the close of a meeting recently where I discussed this subject, a master plumber who was the president of a Master Plumber Association said he was particularly interested in the balance between selling and service in his business. He told how a tendency had grown in his locality for house owners to have second-hand plumbing equipment in their homes when they wanted to install an extra bathroom or a laundry. He complained that his men when dealing with customers of this kind only thought of getting the job, as it called for labor to be sold, but he said if they only used a reasonable amount of selling ability they could convince the house owner that a more satisfactory service would be rendered if new equipment was used.

The trend of business today, because of competition and a fuller realization of successful policies, is towards sincere, honest, and responsible service. This relates to distribution and to the quality of the products sold.

We are told that many textile mills in Massachusetts that have been competing for price are gradually closing down because of Southern competition. There are other mills that are busy and apparently prosperous: It is explained that these mills are making quality goods, and through selling and service are securing an adequate share of business to keep them busy.

The selling effort that accompanies service must be persistent and cumulative as well as efficient.

Salesman leadership, in order to meet the requirements brought about by competition and business trends, must resort to effective training. In order that competent training may be instituted, it must be recognized that training involves a special science, just as selling itself is controlled by a science peculiar to itself.

A good lawyer or a famous physician may be totally incapable of training lawyers or physicians. To train salesmen, one must know the art of selling, but it is equally important that the science of training be understood and applied before effective training can be realized.

The science of training is based on the fundamental principles of good teaching.

Salesman leadership is faced with the problem of beginning with a knowledge of salesmanship, and in addition to this must acquire the knowledge of giving instruction effectively. The inverse of this is to begin with the knowledge of teaching and superimpose on this the art of selling. When either of these two procedures is followed, it is necessary to transpose the fundamental principles of good teaching into the conditions prevailing in a particular selling organization, and to translate the teacher's language into that of the selling organization.

It is only possible to deal with general phases of this subject in a single paper. A number of the outstanding facts can be sketched, but most of them would require an entire paper to deal with them fully.

Selling and teaching are very closely related. Sales manuals prepared for salesmen frequently state that "selling is teaching." In fact, the four selling steps and the four teaching steps are similar except as to their names. The attention, interest, desire, and action in selling are really the preparation, presentation, application, and testing in teaching.

The four teaching steps are as necessary as the four selling steps. Too frequently for good results in training the first two steps are used, preparation and presentation, but no application or test is provided for, and the resulting failure is charged to the stupidity of the one being trained, when it really should be charged to ignorance of the instructor.

- In order to train one to do a specific job, a learning order must be determined. This learning order is not dependent on the doing order. If the various tasks that a salesman must learn to do are listed in the usual order in which they are done, this will not indicate the order for teaching these jobs.

The order of the tasks must be reversed so as to adjust the sequence of these tasks to the capacity of the salesman being trained, and in the order of the difficulty in learning to do these tasks. This rearrangement of the tasks into a learning order is based on an analysis of the factors of difficulties that the man trained must progress through, and on an analysis of the learning difficulties of the tasks. That is, the tasks must be fitted to the man as a result of analysis of the man and of the tasks. \*

There are educational tools and processes used in salesman training, as there are in other instruction fields. If a man is being trained to sell from door to door, a model house entrance would be used, or in training to sell to stores, a model store would be used. The various methods of stimulating and maintaining interest must be employed. It is necessary to use devices that make men like to do the thing they are being trained to do. The man being trained must be shown how easy it is for him to take each step as it is given him to do. The choice between using demonstrations, illustrations or lectures is parallel to the choice of a golf player selecting the right club. To know when to follow a development policy or to merely give information has much to do with success or failure in giving instruction.

It is not practical to train a man how to sell. He must be trained to sell--specific things and then another thing. There is usually little carry over from learning to sell one thing and learning to sell another. This experience is cumulative, but it is necessary that each new application to be made specifically in the training until ability is acquired.

We learn by doing. As a boy we did not learn to do an example when the teacher demonstrated and explained the problem at the blackboard. It was when she gave us similar problems to do ourselves that we learned to do them.

We learn to do one thing at a time. To sell an article we must learn to give the selling points or ideas and be prepared to meet sales resistance. To learn to do these things in a reasonable time, retain confidence, and to learn these tasks

readily we must learn our selling ideas first, become able to give them well, and then learn to meet sales resistance. If we are asked to practise on selling with sales resistance at first, we are embarrassed, confused, lose our confidence, and will take a long time to learn to do the tasks, with a chance of never learning them.

There is a technique for handling group instruction and individual instruction. In handling groups each member must be made to feel the instructor is conscious of his presence, and each member is kept in active participation of the proceedings. In some cases individual instruction is more difficult than group instruction. It depends, of course, on the subject taught, the condition controlling the instruction, and the individual or individuals to be taught.

### QUESTIONS

1. Why is it necessary today to train salesmen thoroughly for specific selling duties?
2. What are the fundamental steps in selling?
3. What instruction methods are best suited to sales training?

## CHAPTER XX

### THE DEVELOPMENT OF LEADERS FROM THE RANKS OF LABOR<sup>1</sup>

IN our concepts of a virile society or of a virile organization—industrial or otherwise—if we avoid the idea that leadership is exclusively an attribute of the higher controls, we have made a good start in our task of developing leaders from the ranks of the workers.

And this approach is altogether compatible with the definition of leadership suggested by Mr. Tead and used by others as a rallying point for these discussions: "Leadership is the name for that combination of qualities by the possession of which one is able to get something done by others chiefly because through his influence they are willing to do it."

To this I have but one reservation—perhaps you may consider it a fundamental one. Mr. Tead seems to imply that the leader is more or less, chronically, in the position where he has something very definitely and cogently in mind which he desires to get accomplished. The flow both of ideas and of authority would appear to be all one way, that is, from the top down. We *have* leaders of that kind. But the leadership of the type we are trying to conjure up here must secure from associates up and down the line assistance in deciding on what the objectives are to be as well as aid in their accomplishment when once determined. I am entirely finished with the idea that the "boss," whether he be the President of the U.S. or the foreman of a track-laying gang, always "knows what ought to be done." So in my own thinking I should edit this definition to read in some such wise—

#### DEFINITION OF LEADERSHIP

Leadership is the name for that combination of qualities by the possession of which one is able to get something done in cooperation

<sup>1</sup> Morris Llewellyn Cooke, Consulting Engineer, Philadelphia, Pa.; Former President, Taylor Society, New York City.

with others chiefly because through the leader's initiative those co-operating have been made parties to the objective and through his influence they are willing—even anxious—to aid in its accomplishment.

Of course, I admit that the more militaristic an organization the more "masterful" the leadership becomes and, therefore, the more unnecessary my reservation. I am not sure that it is needed at all in the leadership required for strictly military operations. For there it must be remembered that the object is frequently little more than to mass at a given place and at a given moment of time the maximum of strength or at least enough to overtop your opponent. In industry, however, the objectives of leadership are fundamentally different in that we are constantly seeking to reduce all effort to an even tenor—even as to volume and even as to its placement in time.

Assuming that a given concern has a program sufficiently definite to have a being outside its promoters' head, and one sufficiently social to permit of its discussion, then any one who through others makes possible even refinement as to detail or assistance in its execution demonstrates the quality of leadership. Obviously, leadership thus conceived can reach levels where authority is either very thin or even non-existent.

We can arrive at the same conclusion perhaps even more incisively by asking at what level the opportunity for leadership ceases. Obviously, no such line can be drawn. Quite as obviously not everyone embraces the opportunity for leadership, but it is of the essence of our approach to recognize that leadership may have humble beginnings. In discussing then "The Development of Leaders from the Ranks of the Workers," we must consider the conditions and influences which make for growth from very small beginnings. And in order to emphasize my points I shall consider the situation as we find it on the bottom rung.

Before industry became as introspective as it is today, such a discussion as this would have been as theoretical as it would have been unprofitable. In the machine shop where I served my apprenticeship wages were levelled at \$7, \$8, \$9, \$11,



\$13, and \$15 the week. We had one lathe hand—possibly two—at \$18.00. The \$7 man dreamed of \$9, and the \$11 man saw “heaven on earth” in \$15. Continuity of promotion beyond these limits was so rare as never to be thought of as within the range of possibility. When the life-long grind at or below starvation wages became unbearable, efforts—usually futile—were made to get a “city job.” But even in that drab, unimaginative atmosphere we had our leaders—leaders in the work, leaders in shop play, leaders in politics, leaders in the relief work the demands for which were ever insistent.

I am told that a well-known firm of engineers, with headquarters in Philadelphia as the first step, in an industrial report makes one with a 50-year outlook—this with the idea of providing a safe setting for the five-year study which they have been employed to make. In something of the same spirit I have injected this picture of a shop enjoying world-wide fame as it was a little more than 30 years ago. For it is such backgrounds as this—and worse—which bring understanding of labor's reticence, inertia, distrust, and lack of imagination, and which make logical that static quality which is at times so disheartening to those interested in widening labor's horizon and opportunities.

In our research for the embryo of leadership this far down the line, it is quite easy to agree with Dr. Person in his contention as to the influence of environment as contrasted with heredity. Of prime importance in creating the setting in which leadership may be expected to reveal and express itself is the establishment of confidence, and I need not tell this audience that confidence results 90 per cent from acts and 10 per cent from words. Next, I would rate the attaching of some measure of importance and respect to each and every job. Of course, this implies clean, well-ordered work places followed by a recognized technique for every kind of work performed. The first step in making a leader is to so situate him that he can experience *élan* in his own work. And this usually only becomes possible as his individual task is related in some measure to the work of the whole.

Every worker should be given a continuing opportunity to express himself about his own work and that which he observes about him. This last is, indeed, a matter fraught with difficulty, but until it has been overcome we may have an organization in the sense in which that term is sometimes used in the *SYSTEM Magazine*, but not a living organism.

In the beginnings of this indeed difficult task of inviting comments and suggestions and criticisms from "down the line," I believe the most frequent mistake is to extend the invitation to walk before the invitee can crawl. Early discussions, whether *à deux* or in the group, should be of a very primary sort. Because nothing will make the average wage-worker tighten up more than provoking a discussion in which he thinks he is likely to be "shown up" as not possessing powers and information supposed to be his. We should recall that even among the educated classes the individual who says frankly, "I do not know," or "I have not enough of the facts to warrant me in forming a judgment or in taking a position," is, indeed, a rare bird. If the start can be made without mishap, this temerity soon "burns off" like an early-morning fog.

A further step that tends to lend dignity to the lower range of positions is to give them contacts all the way to the top. Under the old-fashioned military system after which so much of our industry is modelled, the individual does not always have approach even to the one immediately above him, and practically never to those in the higher grades. This all tends to emphasize differences in rank. The theory of functional management is intended to be almost the antithesis of this.

• **How Tap Hidden Sources of Leadership.** If you are going to tap hidden sources of strength and leadership these distinctions of rank must be minimized. The fact that Tom Jones is as Taylor used to say "a first-class man"—whatever the job—should put him on the basis of comradeship all the way up and down. A first-class machinist would be as much at ease with the president as an able president would be with the lowest-paid employee. Shall we call this the comradeship of competence?

My experience suggests a few "don'ts"—

(a) Don't *casually* bawl a man out—as when walking through the shop. This is not done among the "higher ups," and the difference is promptly recognized. Unless you want to stamp out budding initiative study the technique of dignified reproof. The best people do not need any at all.

(b) Don't avoid trouble—make it easy for a man to "spill his story." The farther down the line, of course, the more of a factor trouble becomes. And good management provides an outlet.

Then here are a few things to remember—

1. That we all reach our saturation point—our ability to absorb new things. We all want rest periods. A certain foreman of my acquaintance rather periodically reached the state when he wanted to be let alone. We treated these events lightly and, after a season of repose, his eager soul again craved marching orders.

2. We all want credit and so seek every opportunity to push credit down the line. In so far as possible attach to each piece of work the name of the individual responsible for it.

3. Give expression to your appreciation of good work and fine attitudes. This occasionally leads to a request for more pay—but it is usually deserved.

4. Workers are uncanny in their ability to sense "fakes," and suspicious enough to suspect that if they detect it at one point it may be elsewhere as well. And if they are going to be encouraged to start climbing they want to be sure of recognition and the square deal along the route.

Naturally, if you are trying to encourage leadership in the lower ranges, you must be able to demonstrate through what happens in the top ranges that it pays. And here I am not referring to the fact that you pay your president \$100,000 a year, or to that high-spot account appearing in the *American Magazine* recently under the title, "How I Choose my \$25,000 Men." Anyone down the line who is considering making those special efforts—and sacrifices—involved in becoming what the world calls a leader naturally scans the atmosphere at the top.

He is interested not so much in knowing what has happened in the way of salary and preferment and interest in work to this or that individual, but rather in knowing the general attitude of those who through length of service, promotion, salary, title and what not have received the stamp of approval of the organization with which he is associated.

What I have said up to this point has been in a way of a negative character—as bearing very largely on the environment in which the potential or latent capacity for leadership among the workers might be most likely to express itself. And yet negative as it may be—in a way—it is of the essence of our problem. It is far harder to inject new characteristics into your associates, or to take on new ones yourself, than to provide the type of environment in which you both can see the best that is already in you expand and develop.

In taking up the more positive phase may I suggest that we should be constantly on our knees praying to be able to recognize leadership when we see it. In my picture an organization is made up of many, many different kinds of people. So much of what has been finest and most useful in the things accomplished by the groups with which I have been associated we owe to men and women with marked characteristics—not to, say, peculiarities—that I studiously avoid routine types in building an organization. And the value of this technique applies quite as much in the shop as anywhere else. It is a wise leader who draws up careful detailed specifications for every job he wants to fill. It is frequently a fortunate leader who finally chooses a type quite different from the one he had first in mind.

So don't try to iron out all the individualities—rather encourage them. On the other hand, there are those who suffer in their capacity to influence others by some characteristic or habit which can be shed. Sympathetic counsel wisely given has eased many a man out of an impasse.

Again, you can be wholly sure that whatever thought you may be able to give to Tom, Dick, and Harry, and to their growth in usefulness to the common undertaking, they are

giving a whole lot more of thought to sizing you up. Our foibles, the way we walk, the hours we keep, and—painful thought—what we know or rather don't know are matters of pleasant and hour-to-hour speculation and even discussion.

We have rather assumed a given group of employees, and sought to discover an approximate technique through which its potentialities for leadership might be developed to the maximum. After all this is the problem which confronts nine out of ten executives. In this boiling American life he is, indeed, fortunate who is permitted to last long enough in any given position to carry this line of inquiry to the point where he is acting upon, and in turn being acted upon, by a group largely of his own selection and situated in a physical and spiritual environment dimensioned to his own personality.

It is likely that we are approaching a time when such a situation will be much more possible than it is today. The harassments due to the lack of standardization in buildings and other physical equipment are disappearing. With more time and thought available for personnel problems, and a more definite appreciation of their importance, perhaps those of our leaders who can resist the temptation to its standardization will discover an entirely new resource in choosing employees with one eye to the accomplishments of given tasks and another on the latent potentialities for leadership.

**What is Leadership For?** One cannot get more than skin deep in such a study as this before being forced to consider what the leadership we are seeking is for. Are you looking for the leadership of the type which will simply help you break down sales resistance inside and outside the plant, bull artists, Rotarians, men and women of the type who must be the editors of most of the house organs which come to my desk? Or do you want two-fisted go-getters who can "bring home the bacon" of big profits through low wages and a generously proportioned sales price? Are you building for this year's balance sheet so as to unload next year through the good offices of Skin, Flint & Co., investment bankers? Or, if you are planning to keep the concern in business, what is your policy as to the division

of its income as between those who own its stocks and bonds, the management, the rank and file of employees, the customers, society at large and all others at interest. Any given move in developing leadership may represent a plus or minus according to how such decisions are made. .

My contacts with labor organizations of the several varieties have not been continuous enough to give me special confidence in my observations in that field. Yet I think we may detect some special traits in that type of leadership among the workers. Without intending to disparage it we can be fairly sure that it takes on—must take on frequently—more of the political characteristics than one ordinarily associates with industry. Here, again, environment counts. The more haphazard your industrial technique the more you invite the “business agent”—he of movie fame who gets his results through bluff, bulldozing, and braggadocio—as contrasted with the labor leader who can and is interested to sit down with you and understandingly and constructively discuss the problems of the industry.

The story goes that Gantt once fired a man for borrowing a hammer from a fellow workman, on the ground that it was planned that with each instruction card for a job should go a list of the tools required for the job and the tools themselves. All hands were instructed to report back to the planning department anything missing, for only through this practice would it be possible to get the mechanism so complete as to avoid the repetition of such errors. This discharge probably never occurred, but it illustrates the care which the Taylor School practised in providing those conditions under which waste in time and materials were really difficult. And this is no mean contribution to the art of making leaders out of workers. Taylor said “good habits make good principles,” and he believed that good principles were rarely responsible for the formation of good habits. So I would not expect much in the way of leadership to develop in a sloppy shop or a sloppily conducted shop.

There can be no doubt that even casual associations with

labor unions in recent years revealed a steady drift from the strong arm, militaristic type of leader battling for higher wages, shorter hours, and better working conditions through strikes and any other weapons within reach to the better educated, softer spoken, even more statesmanlike representative of the workers who sees the advantage of considering labor's part in the light of a background as wide as the industry itself.

After all, just how much you can accomplish in developing qualities of leadership in any group depends very largely what you are willing to pay—to what extent you are willing to sacrifice yourself. That is what it all boils down to.

### QUESTIONS

1. What is leadership for?
2. What conditions and influences are essential to the discovery of leaders "far down the line"?
3. Is there a new type of leadership evolving?
4. How is confidence established in a leadership situation?

## CHAPTER XXI

### TRAINING FOR THE NEW CONCEPTION OF LEADERSHIP<sup>1</sup>

ONE of the primary purposes of this volume is to provoke thought. The vocation of the thinker is the most dangerous of all the vocations. There is no haven of intellectual security among men so long as there lives the will to discuss. This will to differ in the way we see things has been quite apparent throughout this course. Having studied these chapters on Leadership, you must have been impressed with the changing and expanding ideas regarding leadership on the part of the various contributors.

This difference in point of approach and emphasis has also been accompanied by certain overlappings, instances where environment has been emphasized, but cases cited where the biological inheritance of certain traits or early-formed habits have modified or changed that environment.

Now open-minded discussion is the best method of arriving at the truth. It will be only as we integrate and unify these different concepts that we can arrive at the broadest, most helpful concept of leadership. Can we do better for the present in our *thinking* about leadership than to regard it as capacity for growth based upon individual differences in response to changing situations? The rate of growth will be determined by the vision of the present leaders, the level of intelligence of the led, and the creative interactions of leaders and followers upon each other and their environment. Leadership is the adjustment of intercreative growth.

Will this leadership concept be accepted by our present industrial leaders? Only if they have the vision to grasp the far-reaching influence of industrial leadership, and are willing to discover, recognize, and reward true leadership as it appears.

<sup>1</sup> Henry C. Metcalf, Director, Bureau of Personnel Administration, New York City; Co-author, *Personnel Administration: Its Principles and Practice*.



Previous speakers have pointed out that the democratic, merit type of leadership today must find expression in and through industry. This is an industrial age. Society, as never before, is literally dominated by industry. By "democratic" we do not mean simply an industrial *form* of organization, such as trade unions, works councils, employee representation, contractual arrangements such as exist on the Baltimore and Ohio R.R., etc., but the actual operation of these cooperative arrangements through the minds, hearts, convictions, wills of leaders and led. *Democratic* relationships, if genuine, are *human* relationships. They are far more than *form*. They affect the vital things of life—the things men care most about. Speed, high tension, size, far-flung organization—the characteristics of our present-day industrial life—are striking at the heart of our most vital, human relationships. The brotherhood bond is strained to the snapping point. At no point, perhaps, is our modern size and tension more acute than at this focus of leadership. Industrial leadership construction and reconstruction were never more urgent and never more certain than they are today.

The problem of discovering and training for the new leadership forces upon us many searching questions. How can an organization know that it has the right leadership at the top? Does each situation demand a different type of leadership? Are there characteristics of leadership *common to all* situations? How can a company be certain that it has the right program for bringing first-rate leaders to the top—initial selection, cumulative testing, sound training and adequate promotions, financial and non-financial incentives best adapted to move the basic human motives? What kind of organized systems of employer-employee cooperation are best adapted to discover and develop true leaders? How can industry best discover potential leaders in our educational institutions and train them into leadership responsibilities? How far is it wise to leave the development of subordinate executives to department heads? What methods or incentives should be employed in justly rewarding exceptional enterprise and ability? In the discovery and training

of leaders, is the just distribution of opportunity and skill more important than the distribution of reward or product?

**Personality in Management.** These are but a few of the many questions pressing for answer confronting leaders of management who are stressing *personality* in management as their major problem. Industrial leaders who sense the trends of the times, financiers who are conscious of their abiding trusteeship, thoughtful students from all walks of life, are stressing the supreme importance of *personality* in management as the essential factor in the successful conduct of corporate affairs.

"Some of our critics of present-day methods in corporation practice and some of those who have suggested radical changes, fail to realize fully enough the part which personality plays in the management of every successful corporation. Some of these critics seem to think that a business concern is the sort of thing that can lay out on paper and manage by means of rules and formulas, through by-laws, stockholders' committees, etc. There was never a more unsound idea. Investigate any successful corporation today and find out what the real secret of its success has been! Has it lain in its control of natural resources, in its perfection of equipment, in its patents? By no means! It has lain in the personality of the management day by day. If the managers are men of prudence, imagination, industry, and sobriety you will see a successful corporation. If they are lacking in these qualities, the corporation, no matter how great its material resources, will be limping."<sup>1</sup>

Every leader sincerely interested in the development of his *own* personality, and who believes that the development of the personalities of his coworkers is his best business asset, faces this important question: What are the essential conditions for the discovery, training, and development of personality in management, of making leaders? John Stuart Mill long ago declared that "the very corner-stone of an education intended to form great minds must be the recognition of the principle,

<sup>1</sup> Thomas W. Lamont, *Industrial Management* (The Engineering Magazine Co., N.Y.), July, 1927.

that the object is to call forth the greatest possible quantity of intellectual *power* and to inspire the intensest *love of truth*."

The organization and management of industry, therefore, designed to develop leaders, must be of the "releasing type." It must generate an atmosphere of freedom—freedom to think and to carry responsibility. Whatever the technique or plan of operation, it must be borne in mind that the leaders at the top are the responsible final controls; they determine, choose, and guide the corporation growth. They should aim at something noble: they should make the industrial system such that great leaders may be formed by it. If they will do this they will find personalities in the rank and file, of which they do not at present dream.

**Leadership the Product of Growth.** Growth is a process of education, training, and practice; a process of intellectual, emotional, and character development. Education must accomplish two functions: "it must communicate the type, and it must provide for growth beyond the type."<sup>1</sup>

The statement so often expressed by business executives that you cannot keep a good man down is an error. "Many of the fairest flowers of civilization have not come to fruition because they could not break through the crust of custom that controls society." Many adverse conditions tend to thwart, maim, and defeat promising, raw leadership material, such as autocratic "power over"; blind-alley jobs; employment in a poorly managed company; lack of understanding fundamental human nature and knowing how to draw out and develop it; internal and external prejudices beyond individual control; the lack of particular traits essential to one organization but not required in another, etc.

The noted English philosopher, L. P. Jacks, has given us the clue to the solution of our leadership training problem when he defines education as "the process of training the industry of man, in its manifold varieties, and in its organized totality, to the highest pitch of excellence it is capable of

<sup>1</sup> Wm. Hocking, *Human Nature and Its Remaking*, New Haven (Yale University Press), 1923.

attaining"—"The true aim of education is not the excellence of the work done but the excellence of the man who does it."<sup>1</sup>

The crucial test of discovering and developing personality in executive leadership will be found in the educational functioning, primarily *within* industry. Here is where industrial leaders find their greatest opportunity and the gravest responsibilities. The education of industry is increasingly occupying the thought of industrial leaders, educators, and scientists. Nothing influences us all quite so much as our work relations. Leaders in all walks of life are increasingly striving to translate jobs more and more in terms of educational content. This newer conception of education *through* industry means not only learning on the job how most efficiently to do the job, but, what is most important for purposes of leadership training, it means developing *personality in management*, it means character building. The great Italian patriot, teacher, and fine leader of men Mazzini, tells us that "education is addressed to the *moral* faculties: *instruction* to the *intellectual*. The first develops in man a knowledge of his duties; the second makes him capable of fulfilling them. Without *instruction*, *education* would be too often ineffective; without *education*, *instruction* would be a lever lacking a fulcrum."

The future industrial leader-teacher should be endowed with a spirit of constructiveness; he should be able to switch from, a contractive to an expansive mood; be able to transform difficulties into opportunities. Industry is failing to tap a great reservoir of power because its present leaders do not adequately realize that man's true nature is to grapple with difficulties. "Among the resources of Nature awaiting to be "developed," by far the greatest in potential value are the latent capacities for skill which Nature has lodged in every human being. Of all the "advantages" man may win for himself in the Universe, none is to be compared with the advantage to be won by developing *them*." . . . "*man is by nature a responsible being*,

<sup>1</sup> L. P. Jacks, *The Yale Review* (Yale University Press, New Haven), 1924, pp. 61-62.

which is another way of saying that he is a *born trustee*. All systems of education, which fail to develop his capacity for trusteeship miss the mark." . . . "The *right to responsibility* is the outstanding right of the citizen."<sup>1</sup>

This ability on the part of leaders in developing *potential* leaders, to seek and find the positive, the constructive values; to grapple with difficulties and to assign responsibility on the basis of *known worth*, presupposes a goal, a vision, an evolving scale of constructive, not pathological, life values. Leadership development calls for a firm faith in the "distinction of worth." But the wise leader will not bother too much about a "definite goal, solution, end." The only "goal," "end," "solution" tolerable "is the end which serves as the beginning of something better than itself."<sup>1</sup> Growth, progress, conserving and improving the best, will be the goal of the wise leader who seeks to develop our future industrial leaders.

**Executive Responsibility.** Now the first essential in realizing this evolving goal, this perpetual seeking for and fostering personality in management, is the assumption of *executive responsibility*. Response from the rank and file continuously flourishes only in an atmosphere of whole-hearted support on the part of the higher executives. This is particularly true of those who possess leadership qualities. Nothing is so destructive to morale as a lack of confidence in the reliability and justice of those at the top: in authority that is arbitrary, prejudicial, and lacking a factual functioning. A very grave responsibility rests with the top executives, and with divisional and regional managers of our large-scale corporations for the discovery and upbuilding of our future industrial leaders. This responsibility, we repeat, is primarily the job of *teaching*. It is the job of knowing how to analyze one's own job, see its relation to other jobs and help subordinates analyze their jobs, select and train their divisional heads and train them to be teachers of the workers under them.

<sup>1</sup> L. P. Jacks, *Constructive Citizenship* (Doubleday, Doran & Co.), 1928, pp. 109-10; 187

<sup>2</sup> Ibid pp. 96-97.

Forward looking executives are appreciating as never before the need of *systematic* instruction. American industrial leadership has conquered the technical problems of mass production. Industry is entering the *quality* stage of development; quality is the product of training. We all need continued, systematic instruction in order to learn how better to do our jobs, how to *think* and *grow*. Nothing is so permanently satisfying as the consciousness that we are helping others to be more successful; helping them to improve the *quality* of their own labor, and discover and develop themselves through their jobs. If we transform industry into the educational opportunity it really is, if in the work relations we make our goal a growing manpower, if we use the right incentives to draw out and develop *personality*, *quality* in product will automatically follow. *Leadership responsibility at the top* is a first requisite in discovering and developing leadership qualities in the rank and file.

**Power of Leadership Example.** The leadership of great personality in management demands literally physical reliability, the capacity for *continuous, cumulative* effort. The inspiring executive, the leader who is a true teacher, draws out and develops personality in others largely because of the presence of his *personality on the job*. He points the way, he reveals the vision, he helps his coworkers realize the big job to be done; he knows *relative* values; the *order* in which things move, *how* to interrelate them and guide them toward the common goal. This personality on the job means analyzing jobs, standardizing jobs; analyzing men; scientifically adjusting men to jobs, developing industrial and group morale; understanding human nature and, through genuine interest in the welfare of workers, inspiring them to do the job most efficiently. It includes a keen appreciation of the educational value of vitalized leisure. The power of right example, of *total personality*, in the leader cannot be overstressed. The leadership of such personality means that factual judgment, not personal prejudice, determines decisions. Given the right personality at the top and a long stride has been taken in the training and development of leaders.

**Leadership Developed Through the Law of the Situation.** Man really only begins to learn after he performs in accordance with the example that has been shown him. His capacity for skill, his aptness in doing, will be facilitated by a thorough analysis of the factors in the situation, sensing the steps in sequence in the task, and since all concrete things are continually changing there will be ample chance for him to control and improve his performance. Responsibility to the law of the situation develops the group and its leader in the characteristics of expertness and skill. "Replace self-reliance by reliance on fact, replace self-direction by rational direction, replace initiative by readiness and ability to begin to think and experiment, and replace independence by readiness to carry thought and experiment on to its just conclusions despite traditions and customs and lack of company."<sup>1</sup> "Great truths do not necessarily spring from impressive subjects. The origins of great ideas are frequently most humble. Residues and wastes, unconsidered remnants, slighted phrases, unpopular subjects, and domains of thinking marked by the taboo of popular ridicule, are all promising fields for great discoveries."<sup>2</sup>

The idea of functional unity permeates and dominates the best thinking on business management today. What is it that determines function? It is *research* and fact, cooperatively set up, carried on and settled. A man's responsibility should be determined by his function, by his job. The problem of training leaders, of developing personality in management, is largely a problem of getting men's minds away from personalities and on to their jobs. Authority should be determined by responsibility. The *right to responsibility* is the first right in the development of personality. We should all have no more, no less, authority and responsibility than goes with our different tasks. This is what the psychologists call studying the situation, attacking the *problem* to be solved, thinking objectively, rather than subjectively, in terms of personalities. What we should

<sup>1</sup> Edward L. Thorndike, "Education, Initiative, and Originality," *Teacher's College Record*, No. 17, 1916.

<sup>2</sup> Edw. D. Jones, *Industrial Leadership and Executive Ability* (New York Engineering Magazine Co.), 1920.

want to do is the *right* thing, not exercise superior force simply because we may have the power to do so. The functional principle means that where facts are clearly revealed, authority will increasingly be rendered, not to men, but to recognized standards, to industrial law and to justice.

This functional view of management, obedience to the law of the situation, enables us to make industrial conflict situations actually creative, to accept them as a challenge, as a test of true courage, as an opportunity for creative thinking, planning, acting. It gives us a constructive opportunity to test and develop leaders. "Whatever degree of skill a man's vocation involves measures also the courage that he needs to play his part as a social unit. To acquire his skill in the first instance he must be strong enough to "scorn delights and live laborious days," and when he has acquired it he must be master of himself throughout the whole process of putting it into operation."<sup>1</sup> Faced in the right spirit and with the right technique, every conflict situation (none is wholly good or absolutely bad) affords an opportunity, not merely for the gain of one party to the conflict, but for the *victory of all*.

With the dependence of reason, in fact, of all thinking, upon both desire and habit, according to the behaviorists, a strong desire must be fostered to find the "intercreative coordinations" that make conflict constructive. Leadership, personality, development in management, calls for a clear conception of the interrelation of the three inseparables of sound business management—authority, responsibility, function.

The law of the situation—obedience to the facts—no matter where it happens to hit, whether at the top, the middle, or far down the line, declares that leaders are developed out of the right human relationships *in the work relations*. "Facts, however, in and of themselves, are barren. The fact is that we too often lose sight of the fact that there is a *living, mutual relationship* in industry. In order to be truly constructive, discover and develop personality—this relationship of realities,

<sup>1</sup> L. P. Jacks, *Constructive Citizenship*, New York (Doubleday, Doran & Co.) 1928, p. 104.



the facts of a given situation and personalities coloring the facts, must be one of harmony and accord. The right leadership results from this relationship only when it is conceived and carried out on the threefold basis of faith in human nature, mutual understanding and accord, the "facts" cooperatively established, and the whole process cemented by fair play. Leadership development demands freedom. The *truth* shall make you free.

### **Leadership Development and the Problem of Coordination.**

The modern executive responsible for the conduct of large-scale, widely-scattered units faces no more serious task than the wise control of the complexities arising from coordination as an executive problem. It is at this point that personalities clash, conflicts arise, and sources of the most costly wastes are found as well as the most fertile opportunities for discovering and developing leaders. Nothing tests personality in management more than the ability to take the conflicting personalities that are always found in the quickly-organized, large-scale company and turn these conflicts into constructive channels, and develop the best in these conflicting personalities under the new conditions. With hundreds, sometimes thousands, of units widely scattered over thousands of miles of territory, coordination is a crucial problem, probably, the most crucial the future large-scale management will have to meet. In such far-flung, widely-scattered organizations, many obstacles to perfect coordination—to the development of the strongest personalities, must be overcome, such as internal conflicting purposes between staff, regional, and local unit divisions; between sales and production; between production and personnel directors; between the corporation and society, or between the local units and the communities in which they operate.

External obstacles to perfect coordination are sure to confront these large-scale systems. Such handicaps arise from, trade groups, from political prejudice, punitive laws, customs, special groups, and interests.

Faulty organization policies often seriously handicap coordination and, hence, thwart the best in personality. Policies

are not clearly defined; the organization structure is faulty; the functions are indefinite, unbalanced, or are not clearly revealed; the personnel is too often the result of chance, favoritism, family or business influence rather than experience, training, personality. Stubborn prejudices often balk coordination and the wholesome attitudes, and personalities of the rank and file are given inadequate or unfair opportunities for expression.

Now the leader who is focussing his attention on personality in management will recognize the obstacles and prejudices to perfect coordination. He will take positive measures to disintegrate prejudice, favoritism, unfair attitudes, and he will set forces, techniques, mechanisms, controls in operation designed to promote a continued "intercreative coordination," which is essential to the development of wise leadership.

The limited space at our disposal does not permit a detailed recital of the technique and mechanisms, *plus the personality at the top*, that have been found most helpful in breaking down prejudice and building personalities into company coordination and cooperative spirit. Among such techniques may be briefly mentioned, in passing, standards of measurements of all kinds for expressing quantitative aspects as an aid to accuracy and eliminating friction and prejudice; standard constants, indicating the fixed points or quantities underlying scientific research and industrial processes. These furnish an efficient control for industrial processes and give high quality in product; standards of quality, which fix in measurable terms properties which determine quality; standards of performance, which specify the factors involved in terms possible of measurement. Such standards, which control operative efficiency, are of great value in drawing out and developing personality; standards of practice, which result from careful study and experiment, and are crystallized into codes and regulations of conduct. Such standard practice codes define quality, safety, economy, convenience, efficiency, etc. They give an *impersonal standard* of practice as a *basis for agreement* of all interested parties. They define the *law of the situation*.

Such standard procedures, together with *systematic* operating and personnel committee meetings, scientifically established research procedures, and the right kind of training program for all the *higher* executives, including heads of major divisions, regional and plant managers, staff members, will go a long way in helping establish "intercreative coordination"—a status essential to the discovery and development of creative leadership.

**Leadership Developed Through Ownership.** The growing sense of justice in all ranks of workers, the growth of union banks, savings schemes, employee representation schemes, the extension of employee stock ownership, incentives for executives—these and other forces have combined to place major emphasis upon the relation between ownership and growth in personality. Ownership is an important element in business leadership.

It has been well said that "men will not rest, indeed they cannot rest, except in an ever-enlarging community of sharable goods." Farsighted executive leaders are increasingly realizing that if industry is to attain to its highest efficiency, if we are to have the wholesome condition of industrial concord, management must aim deliberately and consistently at getting a substantial ownership of capital particularly into the hands of industrial workers and managers. A *mal*-distribution of capital is a positive menace among an enlightened citizenry. The masses are fast reaching the conviction that *ownership* is essential to the realization of the finest life values—culture, art, knowledge, goodness, etc.

How to develop personality through ownership, how remedy our present uneven wealth distribution and, at the same time, justly reward exceptional ability (draw out and develop leaders) is a crucial test of personality in management.

It is a significant fact in the growth of American industrial corporations that those companies now recognized as leaders in the development of their man-power, in the sensing of the personality factor as the acid test of a high order of executive leadership, have given special heed to the relation of the instinct of ownership to leadership.

The history of such companies as General Motors Corporation, American Tel. & Tel. Co., Mitten Management, Dennison Mfg. Co., J. C. Penney Co., and others, offers a fertile field for the far-seeing manager who is striving to build his business upon a basis of fundamental, enduring human values. *Wealth* and *worth* in our present organization and management of industry are inseparable.

**Leadership Developed Through Management-Sharing.** The kind of *control* a corporation develops is a crucial factor in discovering, drawing out, and developing the personality of its members.

A crucial question that will increasingly confront management is: What control techniques are best adapted for coining material and human energy into profitable goods and personality? Here executives are confronted with a complex of problems that will test personality—as nothing else can.

The opposing theories of highly centralized autocratic control and direction and a clearly defined central coordination and guidance coupled with a local responsibility in management; the expanding potentialities and implications of the trade union and employee representation movements, are vital problems affecting personality in management. How far can the committee system, conference gatherings, trade associations, research institutes, become vital influences in developing leaders?

Managers interested in the development of leaders should bear in mind that the sum total of all the minor leaderships is essential to the realization of their program. These and many other "control" problems will increasingly test the personalities in whose power lies the future direction of industry.

**Summary.** Personality in management, leadership, stands for the finest human relationships possible between the different levels of an organization—a contact based upon known facts mutually arrived at, evaluated and cooperatively accepted. Such creative coordinations come from candor, contact, conference, from first-hand familiarity with working conditions, and sympathetic support and assistance in the solution of individual problems.

Personality in management calls for a clearly defined company policy. The leader has a clearly defined evolving goal. He is guided towards his expanding goal by a body of guiding principles. He knows *where* he is headed, the *direction* he is to go, *why* he is headed East and not West, and *how* to get there.

The leader developing personality in management sees his administrative task *as a whole*, as an organic unit, because he *thinks* in terms of organisms, human beings. In working his plan, all the parts will be coordinated, harmoniously adjusted, and *gradually evolve* toward his goal. He moves safely because of scientific standards, techniques, procedures, control. Being scientifically minded, he *sees* clearly. But being a humanist also, he *feels* the spiritual, cooperative forces he is dealing with, both inside and outside his company. Motivated by a keen sense of justice, such an executive is sensitive to the balanced, harmonious relations inhering in all his production forces—materials, money, mechanisms, machines, men.

Personality in management demands that the executives *at the top* translate the ideals, the policy, and the guiding principles into continued, expanding realities. This is an educational procedure of the first order. The leader-teacher will strive to give and to get from stockholders, managers, customers, competitors, coworkers, governmental bodies, that which accords with the law of reality—the truth. In this thinking, growing process, the leaders sacrifice or surrender no vital thing. The more personality they apply to their businesses the more true power they get in return.

The finest type of leadership development requires that the door of opportunity be open to everyone to realize his best.

### QUESTIONS

1. How can an organization know that it has the right leadership at the top?
2. What kind of organized systems of employer-employee co-operation are best adapted to discover and develop true leaders?

3. How can industry best discover potential leaders in our educational institutions and train them into leadership responsibilities?

4. What methods or incentives should be employed in justly rewarding exceptional enterprise and ability?

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## CHAPTER XXII

### MANAGEMENT'S RESPONSIBILITY FOR EMPLOYEES' GROWTH AND SATISFACTION<sup>1</sup>

LEADERSHIP involves some responsibility for or direction of others who are associated with the leader. Usually the leader is supposed to be either an individual of more maturity or of more ability, who thereby has the right to assume this position. In the ordinary conception of leadership in business and industry the leader is supposed to have a twofold function: determining what should be done, and directing those who are responsible for carrying it out. The leader lays out the work and determines the part the individuals shall take in carrying it out. In general, therefore, business life is conducted on the notion that the business management will be the brains, and the workers the mechanisms. The workers furnish the hands and the feet for putting into effect the planning of management.

**Prevalent Conception of Leadership.** In this conception of leadership, business is not peculiar. This is the general conception in regard to leadership. Political leaders are supposed to do the thinking for the rank and file of the people, and then take the steps which will lead the people to follow their direction. Religious leaders are supposed to discover what it is right and best to believe, and lead their people to accept their conclusions. Teachers, indeed, are also by many people considered the individuals who know what the children should learn, and who are to direct them so that they will learn the things which the teachers and other leaders have decided are desirable. The only difference between some of these other aspects of life and business and industry is the fact that business management has more control over the subordinates than do political, educational, and religious leaders. These latter must

<sup>1</sup> Harrison S. Elliott, Professor of Practical Theology, Union Theological Seminary; Author, *The Process of Group Thinking*.

win the consent of the individuals involved. Consequently, where business management gives orders, political and religious leaders use propaganda. The school is the nearest to business in its control. Attendance is compulsory and various forms of discipline, including the actual discharge of students, similar to the methods of business management, have been used widely in the schools to make pupils carry out the will of the teachers.

This conception of leadership has been widely defended. Indeed, it has been assumed that progress would be made in proportion as leaders who can point the way accurately for the people are secured and the people are willing to follow their leaders. In any discussion which considers difficulties in society, recourse is usually taken to statements like this: "What else can you expect since we have the kind of leaders we have?" The general assumption is that if the leaders had the correct ideas, the people would not be so far astray. A great deal of the backing which is now given to education is not an educational interest at all, but a desire to use education to coerce individuals, children or adults, to accept the ideas and follow the practices which those in positions and places of authority, in home, school, business, religion, and politics would like the people to have.

**Leadership Success Judged by Product.** This conception of leadership has gained such wide acceptance because success has been judged largely on the basis of the product, and little attention has been given to the effect upon the people involved. If the factory has a reasonably adequate output, or if production was increased and costs reduced, the business management has been considered successful quite without reference to the effect which the methods employed in securing these results may have had upon the employees. If the school succeeded in getting children to be able to read and write, to spell and figure, the teacher was approved quite without reference to the effect there may have been upon the children in their attitudes toward life and, indeed, in their interest in education. If political leaders have won an election or have succeeded in getting a particular bill passed—and this has been true of



desirable legislation quite as much as undesirable—they were credited as successful quite without reference to the effects which may have come in increasing the divisions in the country, in adding to the prejudice and bias of people, and in making them less intelligent and discriminating in their participation in public affairs. The religious leader has been approved if he has increased the membership and paid the bills and made his institution more successful, quite without reference to whether the methods he has employed may be a denial of the religion he proclaimed, and may have actually made the individuals whom he has succeeded in winning less desirably religious in their attitudes and practices. In short, as long as attention is focussed upon the output and little or no attention is given to the effect upon the people involved, this autocratic type of leadership seems successful; and this is true of educational, political, and religious leadership quite as much as of business management.

**Leadership Giving Attention to the Process.** If we take the point of view set forth by Dr. Metcalf<sup>1</sup> we shall have to discuss the function of leadership on quite another basis. He suggests that for years his efforts have been to discover “the scientific methods by which the creative capacity of each individual might be developed, to the end that he might give more productively to society and gain the greatest satisfactions from life . . .” He says further: “The inquiring, scientific mind, is rapidly converting industry from a purely productive process, turning out vast material goods into a human, developmental experience for all those engaged in its absorbing activities.” Then he quotes Dr. Jacks as saying: “If a man gets no culture out of his daily work, out of his vocation, he will get precious little out of anything else—industrial civilization must find the means of ending the divorce between its industry and its culture or perish in the alternative.” If this point of view is taken, leadership must be judged not only by the output, but also by the effect upon the individuals who are party to that output. Business management must so conduct affairs that both more

<sup>1</sup> Fundamental Objectives of Business Management. Conference 1. *Vision*, by Mr. H. C. Metcalf, pp. 9 and 10; Bureau of Personnel Administration.

goods and better people are the result. Education must be so conducted that as individuals acquire the skills and attainments of the past, they grow in their own independence and resourcefulness, and so that they get joy out of the process. Religious institutions must be conducted so that not only are members and finances and other material evidences of success the result, but so that in the process individuals become more tolerant and more resourceful and in other ways more religious in attitudes and practices. Political leadership will be judged not on whether bills are passed and elections won, but also on whether in the process the people have become more intelligent about the issues, are better able to decide for themselves, and have developed the qualities of discrimination and fair-mindedness so essential to a democracy: On this bases, the function of management is so to conduct the affairs of business that it becomes a producing and an educational process at the same time.

It may be presumptuous for a person from academic circles to suggest that such an attitude is really essential, even if the output is to be adequate in business and industry. One of the reasons education is changing to this point of view is the fact that it failed so largely in securing its end result by the other method. By all its efforts of coercion and prizes, it still turned out people who could not read and write, figure and spell effectively, not to speak of the more inclusive aspects of education. In other words, by its method, it defeated its end results. The same thing can be said of religious institutions. There is a real question in business as to whether the intelligent participation of the workers in relation to management would not actually increase the end production and make industry more efficient. But this can be answered accurately only on the basis of wider experimentation. Whatever may be said about the increase in output, certainly business cannot bring the results in satisfaction and growth for the worker, if it follows the conception of the function of leadership now so widely accepted.

**Conditions for Democratic Leadership.** What are the conditions which management must secure within business and

industry, and what changes must take place in the attitudes and practices of management if the workers are to grow as the results are secured? It may be said in general that it requires a state of affairs in which management and employees are working together cooperatively and intelligently on a common task. This means that the workers are really interested in and intelligent about what is going on; that they carry on their work not because management gives orders, but because their interests are identified with his in accomplishing results. Further, it means that they are so related to the process that they are able to use their initiative and express themselves in the work, and that they are able to add both to their knowledge and their skill—in other words, that they have a chance to grow in the process. These conditions were easily met where a few individuals worked together upon a craftsmanship basis and could participate in the whole process. They are easily met in a small business where all participate more or less in all that is done. They seem more easy to attain in a business office or a store than in a factory. But they become more difficult of attainment, the larger and more complex the business, the more there is division of responsibility, and the greater the introduction of labor-saving devices. So difficult does it become indeed, that many question whether this state of affairs can be attained in large complex industrial and business concerns making use of every possible type of labor-saving device. Let us consider, then, more directly the difference between the attitude and practice of management, seeking to secure these conditions, and the attitude and practice on the basis of the more commonly accepted conception of leadership outlined in the opening of this chapter.

**Personal Attitudes and Practices.** We should consider first those matters which are more nearly within the control of management, namely, the personal attitudes and practices of the manager himself. There are two types of attitude taken by a manager toward the men and women under his direction. One is a superior, overbearing, autocratic attitude, and the other is a friendly, comradely, cooperative one. In the latter

the manager considers himself just a chief among equals. The first attitude is often assumed because it is considered to be the only way that results will be secured and discipline maintained. This same attitude is taken in other areas of life. Many teachers feel that they have to keep their pupils in awe of them. Otherwise, the children will not learn and they will become disrespectful and disorderly. Some parents take this attitude toward their children.

Satisfaction and growth are difficult to secure in a situation where the workers are treated as menials and are expected simply to follow orders. It really involves an assumption of what is comparable to a child-parent relationship in which the manager as the superior adult directs the children under his control. Only a very infantile adult enjoys a relationship of this sort. More than this, it brings about an atmosphere where cooperative effort is difficult to secure. The employees are put on the defensive; they tend to resist management and do just as little as possible. The situation becomes a personal one in which coercion on the part of management is being resisted as far as possible on the part of the employee. This brings into the office or factory the kind of a problem found in a home where fourteen year-old boys and girls no longer are willing to take orders without question from their parents. If the workers succumb under this and sink back into the lethargy of a childhood submission, it is more serious than when they no longer will tolerate autocratic direction, and rise up and declare their independence by some form of protest. The worker responds far better when his qualities of manhood or womanhood are recognized, and his possibilities are given a chance. More than this, frequently workers do have knowledge which could prevent mistakes and bring improvement if given a chance for initiative, but with a situation of autocratic direction they go ahead and carry out orders. Any person in a management position who feels that his prestige depends upon his assumption of superiority is probably very fearful about his leadership. The more capable and therefore the more worthy of leadership an individual is, the less does he feel the necessity of protecting

himself by high-handed and autocratic methods. Any capable person in a position of management can change his personal attitudes and practices, so that cooperative relationship within industry or business is encouraged.

**Recognition of Individual Differences.** Another needed change in personal attitude of management is the recognition of the individual differences and, indeed, the varying temperaments and idiosyncrasies of the workers. The tendency to treat all people as if they were exactly the same, and to give orders mechanically tends to defeat growth and decrease satisfaction. The truth is that individuals working in any office or factory differ so widely not only in intelligence, but in temperament that to attempt to handle them all alike means that only these persons secure satisfaction and growth for whom the particular type of treatment is suited. Again, we are asking in industry that which education has been far too slow to recognize. The effort to put all children through the same form of education and to treat them exactly alike, has meant that education has been defeated for the great percentage of children, and only those have been helped whom the particular attitudes of the teacher and the particular form of education happened to fit. Let us make this more explicit for business. There may be an individual in the office or factory who defies the management at every turn, loses his temper very easily, and makes himself irritable in any way he can. Many managers take this, as many teachers do under the same circumstances, as a case for discipline, and they try to bring the individual to terms. If the manager is strong, he may succeed; if he is not, he "fires" him. In any case, he adds to the resentment and defiance. The truth is that this defiant attitude is frequently a cover for fear, or it may have been developed by the need to fight for any chance to be independent. It may have commenced when his parents lorded it over him, and may have been further developed by his contests with policemen, teachers, and former employers. All this individual needs is an understanding manager, who will really give him a chance and let him work under conditions in which he does not have to use these

mechanisms in order to defend himself. Such action will not disappear at the first change of attitude, because the employee's experience has probably been so long unsatisfactory in his relation to people and places of management that he will be suspicious, perhaps quite unconsciously, of any change of attitude on the part of management lest it covers some threat. But with any kind of understanding treatment, where the manager does not take this defiance personally and recognizes that it is merely a symptom, the employee will probably change his attitudes.

Again, there is the individual who knuckles and cringes at every turn. He does not dare let a mistake be known because he cannot stand criticism; he will not take any responsibility lest he make a mistake; he has no confidence in himself or in his ability. He says he wants a job where he can take orders. All this means that he has never dared or learned to take any initiative himself. To jump on this individual and to call him a fool when he makes an error, is to develop still further this inferiority and to make him afraid to try anything. Here is an individual whom management can help to assume added responsibility. These illustrations can be multiplied. They simply recognize that the individual in the office or factory looks at his work in the way his past experience has taught him to see it, and uses the habits which are the ones he has thus far learned for getting along. His habits may be such undesirable ones as quick temper, soldiering on the job, refusing to take responsibility. Each employee will be increasingly useful in his place of employment, and will grow only as the management is willing to take the trouble to try to understand these differences in capability and temperament, and adjust attitudes to the employees so that handicaps may be overcome and growth secured. A working knowledge of personality difficulties and of what attitude to take toward them would help the leadership of most managers.

**Situations Outside of Work.** Another factor in personal attitude has to do with the extent to which management is willing to take into account the situation of employees outside the

factory or office. As long as all employees are treated and paid as if they were facing the same things in life, the satisfaction and growth for many of them will be defeated. If management is adjustable so that it is willing to know about and take into account the human situations to which employees are related, it will make a difference both in efficiency and growth. For instance, here is an individual who is having trouble at home. He is not able to make good in his relations to his wife and his family. Things are going at cross purposes. He comes to office or business discouraged and irritated, just ready to repeat the attitudes into which his home situation has brought him. If the manager responds to this temporary discouragement or irritation, as evidently his family has responded to him, the office or factory for this man tends to become like the home situation. If the manager knows something about this and will have patience and consideration, he may help the person meet successfully a baffling home situation, and at the same time save his efficiency in business. Here is another individual who has had a run of bad luck in sickness and difficulty. The whole question of making both ends meet has become so serious that it upsets his entire efficiency. If it is a temporary thing, he will be able to get by it; but if it hangs on and there seems to be no way out, the very financial pressure is reflected in his work and in his efficiency. Some special consideration in wages as compared with another individual, or an arrangement for sharing burdens of this sort, will shift the satisfactions and the possibilities of growth for this individual. These are only illustrations of the way the situations outside of work directly affect the work relationship. This is to say that individuals who go into business or industry are not machines, but human beings with human emotions and human needs and desires; and that unless there can be worked out satisfactory human relationships in which the individual's personality is not outraged and his needs are not ignored, one in which he is at home emotionally, he will neither be satisfied nor grow.

If, then, leadership in business is to consider both the end product and the growth and satisfaction of the workers, the

first thing necessary is a personal attitude which places management in a cooperative relationship with employees, which is willing to adjust itself constructively to temperamental differences and personality difficulties, and which takes into account the situations and problems outside of work..

**Attention to Growth of Workers.** A second responsibility of leadership of the type we are discussing is directly related to the improvement of workers as they work. The true leader is a coach to those to whom he is related. Presumably he has been promoted to this position, not alone because he has directing qualities, but because he is more efficient in the processes which are being carried on than is the rank and file of the workers. This skill he may consider his private possession to give him prestige with the men, or he may seek to share it with others by helping them overcome mistakes and grow more efficient. The true leader in management, like the true teacher, tests the effectiveness of his leadership by the extent to which he is able to multiply himself in the effectiveness of his workers. To carry out such a coaching function requires patience and attention to teaching methods. But it is a prime requisite in the type of leadership we are discussing.

This includes also willingness to help individuals to find the types of work, and the work relationships in which they can really express themselves. This is something to which personnel is more and more giving its attention, but even in places where personnel officers are not available and the personnel attitude is not taken by the factory or business as a whole, it is possible for individual managers to help in the adjustments so that more satisfying types of work are found.

• Management must also be willing to help those employees who wish to understand the business in its larger relationships, to have opportunity for study. A person in a management position is promoted as he gains mastery of his immediate responsibility in its larger relationships. If workers are to have equal incentives, there must be awards other than promotion alone, as only a few people can become managers. There is very little of such encouragement, because study and improvement



make little difference in the rewards that come except for a very few who break through into foremen's or other similar positions. I realize some of the problems which grow out of the present attitude of both labor and management; but I cannot but feel that some fair system of ratings must be adopted which provides for rewarding all who show initiative and growth.

**Sharing in Planning and Execution.** A third set of suggestions are more difficult, and represent areas in which a person outside of business has only the right to suggest possible places of adjustment, and would be presumptuous if he attempted to indicate the adjustments which can be made. The illustrations should be appraised, therefore, not as to whether they are the best ones, but simply as the effort to indicate what is meant. There is enough resourcefulness in business to discover the ways and means if the results, which we are discussing, are desirable. Growth and satisfaction will be denied the worker, and there will be decrease in effectiveness in production unless business learns how, within the industrial situation, to secure conditions which will produce some of the satisfactions which came under the old craftsmanship. If these are impossible, then business and industry will have to admit that they are not educational, will have to reduce the hours of employment so that they can be tolerated, and time will be free in leisure for cultural development. Mr. Metcalf has assumed, however, that industry and business themselves can be so adjusted that they can be one of the great educational factors in life. Therefore, I should like to indicate the conditions which, it seems to me, industry must meet.

Under the old craftsmanship conditions the worker was related to the total process. In many cases, he conducted the whole process from the initiating and planning of what should be done, and the gathering of the raw material to the completion of the product. In other words, he had the chance to initiate and plan as well as to execute, and in his execution he had relation to the whole process of execution instead of one small part. In the supposed interests of efficiency, business has put

the initiative and the planning largely in the hands of management, and has divided the execution into such minute operations that even in the carrying out of the plan, the individual worker has little of the satisfaction of seeing his part in relation to the whole. I realize some of the difficulties of secrecy in competitive methods which are involved, but, from the viewpoint of the general public, I have been curious about the new Ford or the new Chevrolet as to how far the employees of these factories really were in on the planning, and had an interest in it in the way the workman in the old craftsmanship shop would have had in a new model of this sort. Did they have any chance to make suggestions and to help in the development of the most effective improvements? Even if they could not help in the planning, have they been educated so they know the model and are proud of it? How far in a business office are the subordinate employees brought in on the problems and plans so that they feel a stake in them, and have either the chance or the right to make contributions to proposed plans? Business must find the way to bring employees in actually upon the initiation and development of plans as well as in their execution. This is the reason that in the newer education the initiating and planning of a project, whether it be something to be made or a play to be produced, or an entertainment to be put on, is considered equally important, if not more important in the growth of the individual than the actual execution of this project. It is always interesting to note the way a private secretary in an office comes to feel the problems and to be interested in the enterprises of her chief. This is easy to secure in this more confidential relationship, but something of the incentive to take responsibility which such a relationship brings must be worked out in other parts of business and industry. Where added application and interest are desired, management now usually seeks to secure this extra application by means of prizes and competition, rather than by the effort to secure understanding on the part of the worker of what he plans. These methods are employed on the assumption that employees have neither the ability nor the interest for the other kind of incentive.

Seemingly experience would not bear this out. At least, growth for the workers is dependent upon this type of participation.

**A More Inclusive Work Relationship.** Management must also find the way by which individual workers may have a more inclusive and responsible relationship to execution than at the present is permitted in the minute specialization of office and factory. To screw on a bolt as a stream of automobiles goes by, or to perform the same office operation time after time, is not a very growth-producing and satisfying relationship, and never can be under the most sanitary and healthful working conditions. Business has assumed that in the interests of efficiency a person must become skilled in one process and carry this out. It seems to me to have failed to take into account that psychological researches seem to show that the biggest element in fatigue and decreasing effectiveness is monotony. It is not that good work is no longer possible, but that to continue longer at the same operation becomes unendurable.<sup>1</sup> Further psychological research would seem to show that there is no reason why an individual should not develop equal skill in a number of independent operations. For instance, it is possible to develop two independent sets of skills on typewriter keyboards, where there would be likelihood of interference, and to adjust these quite readily. It seems, therefore, that it would not decrease efficiency to give workers a more varied and inclusive relationship to processes of office and factory, and such an arrangement would certainly add both to satisfaction and growth.

**Opportunity to Make Suggestions.** Another element is so handling the office or industrial situation that there is opportunity for criticisms and suggestions to be made in the course of the process, and a premium is put upon these. So crude a method as a suggestion box, with prizes for the best suggestions, which was used when I was on the stenographic staff of the National Cash Register Company years ago, brought a certain alertness and growth and incidentally turned up some real improvements. Other ways of accomplishing this result are possible.

Just how this larger participation for the workers shall be

<sup>1</sup> Thorndike, *Educational Psychology*, Vol. III, Part 1.

accomplished by management, it is not my function to attempt to say. But it is certainly essential to any real leadership in business that management shall find the ways by which the workers may share more completely in both the planning and the execution in business . . .

**Summary.** We have discussed two types of leadership: the ordinary conception in which the leader plans and directs, and those associated with him follow his orders, and a democratic type of leadership in which the leader and the followers cooperate in common problems and enterprises. We have also discussed some of the conditions which management must meet if the second type of leadership is to prevail in business. It requires first, that managers shall make their personal attitudes and practices such that they recognize themselves as chief among equals; that they take account of the differences and personality difficulties of the workers, and that they take into account the conditions outside of the work period.

It requires, in the second place, that management take responsibility for teaching and coaching, so that the attainment of management may be shared with workers, and management and workers may grow together through a direct attention to educational opportunities.

It requires, in the third place, that management shall seek to secure some of the old craftsmanship conditions in which the workers shall share in the initiation and planning as well as in the execution, and that they shall be more inclusively related to the carrying out of the processes. Meeting these three conditions will require resourcefulness, but should be a direct challenge to a new type of leadership on the part of business management.

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## CHAPTER XXIII

### PREPARING COLLEGE GRADUATES FOR INDUSTRIAL LEADERSHIP<sup>1</sup>

**An Educational Problem.** The preparation of men for industrial leadership is essentially a matter of education. It brings into play various agencies and processes that, in order to function effectually, must operate in accordance with sound educational principles. And principles of education are applicable to any agency or to any process that performs an educational function. This holds whether the agency is called a school, a college or a university, or whether it happens to be an industrial enterprise.

Yet the matter with which we are concerned is far from being an academic question. For our industrial generation has inherited a structure of infinite complexity and magnitude; an organism which is inseparably enmeshed with a vast system of delicately adjusted interrelationships; a system which can continue to grow and prosper only if and just so long as a rare sense of balance and direction is made the keystone of its control.

Here, of course, is encountered the  $x$  of the equation. That the processes of creation have been effective and tremendously productive, there can be no question. But whether growth has generally been attended by meticulous regard for refinements of structural balance, for adaptability, and for continuity, we have abundant reasons for doubt. At what point are we likely to find the most serious cause for misgiving as to the outcome? Is it not the question of man-power, of brain-power and, above all else, that most vital but most intangible and elusive combination of personal qualities and equipment which we call leadership?

In limiting this discussion to the case of the college graduate

<sup>1</sup>William R. Gray, Dean, The Amos Tuck School of Administration and Finance, Dartmouth College.

in industry and to the processes jointly brought to bear in his preparation for leadership, it is desirable at the outset, therefore, to undertake some definition of the agencies participating in this great enterprise. It is pertinent, also, to suggest that, by the nature of things, we are not called upon to speculate on whether or how the essence of leadership can be implanted in *all* college graduates who enroll in industry. That would be a footless undertaking, for presumably the higher reaches of industrial affairs have need and room for only the best of the college product. What I have to say, therefore, is concerned with the resources that are in these times available to the qualified candidate for the high places in industry, and with some of the considerations that seem to bear heavily on the very practical problem of making the most of those resources wherever or in whatever form they may exist.

**The Educational Equipment.** May we not proceed from the generalization that an adequate educational equipment for the sort of leadership with which we are now concerned should include a fairly well-balanced group of components such as these: first, what is commonly called but vaguely defined as the liberal, cultural foundation; second, the technical or professional training; and third, the indispensable lessons of practical experience? Lest there be even a chance of its omission from the equation, I would add—even though I cannot clearly define it—a fourth and most important component. It is that rare amalgamation of educational increments, which, once compounded, takes on dimensions, weight, and dynamic properties far greater than the sum of its constituent parts. It produces what may be called “the over-tones” of intellectual power. It is essentially self-induced and is attainable only by those who combine a high order of innate ability and aptitude with habitual self-discipline and unremitting labor for sustained growth.

• In the case of the college graduate, these components of educational equipment are contributed—so far as they are contributed—by certain well-defined agencies. We cannot here accord to these agencies and their contributions the full discussion which is due to them. But we can at least suggest, in

passing, the part which each plays in the enterprise which we are considering.

Whatever of material, facilities, and aid the college graduate has sought or needed for the foundations of his cultural growth, it is certain that those materials, those facilities, and that aid have been specifically and lavishly offered him by his college; they have been his, if he has been so minded, for the asking and taking. He need only have observed the ancient law that the stock-in-trade of any worth-while educational exchange is the product of long and arduous processes of intellectual exertion—and it must be paid for *in kind*.

Emerging from his college course, the graduate has access to alternative sources of the special training and equipment which are requisites to his advancement to the ranks of leadership. He may, for example, choose to enter at once into the realities of practical experience in industry. It is a time-worn trail which along was open to his forebears. It is still the best way for all those who are not prepared, either by temperament, inclination, or disciplined habit to make the most of further sources of formal education.

The graduate may, on the other hand, have recourse to such institutions as the schools of technology or law, or to graduate study in fields of the natural or social sciences. Predisposed as any of us may be in favor of one or another plan of education or type of institution as a medium of preparation for industry, the fact remains that some of our ablest industrial leaders have been trained in law, in engineering, in economics, or in other professional fields that are commonly assumed to be only remotely related to the administrative direction and control of business affairs. If this means anything, it means that it makes little difference with some men whether their training has been in this, that, or another field of learning; it matters tremendously whether the training of the individual has been favorable to full growth of those qualities which make for the dynamics of genuine leadership.

The college man of the present generation may also now turn, with confidence in the validity and utility of the training

available, to the school of business administration. Here he will find abundant material and facilities, newly but soundly established and all devoted to the single purpose of preparing him, always according to his aptitude, ability, and purpose for the effective capitalization of opportunities afforded by the practical experiences of industry. Sufficient evidence has accumulated to indicate that the course in business administration, organized to ensure breadth and thoroughness in the training afforded, provides the foundation for the rapid and progressively effective development of the graduate's capacity to assume the burdens of administrative responsibility.

For the third component of his equipment for leadership, I need do no more than point out that for the college graduate, along with all other candidates, the fruits of experience are grown exclusively within the areas of industry itself. Heavily as he may have drawn on the resources of college or professional school, it is certain that he enters upon the period of highest potentiality and the ground of highest strategic value, so far as the making of leadership is concerned, when he becomes a worker in industry. There the opportunity, the means, the incentive, and the pressure are inherent to a degree that no academic campus can even closely approximate.

But in returning to the most significant item in the educational formula for leadership—for want of a better term, call it the dynamic synthesis of all educational contributions—there can be but one source, a single agency with which it can be identified. That source and agency is the individual himself. President Angell of Yale has recently stated the case in these words: "In the last analysis the final educational outcome always comes back to the amount of ordered intellectual effort put forth by the student himself . . . Essentially, education is always self-education."<sup>1</sup>

- **Basic Significance of the Individual.** This brings us to the crux of the problem and to a fundamental principle that, more than any other, governs the science and art of education.

<sup>1</sup> "The Over-Population of the Colleges," by President J. R. Angell, *Harper's Magazine*, October, 1927.



Whatever the purpose, be it cultural, technical, or the capitalization of work-a-day experience, the result is limited perforce by the capacities, and especially *the inclinations*, of the learner. Whether the educational function be performed by a college or by an industrial organization, the individual must be reckoned with as the primary and decisive factor.

Far from being a patent truism, this statement of fact and principle must, in my opinion, become the working premise of any sound educational proposition, and more particularly of any project that contemplates the making of leadership. Axiomatic and fundamental as the fact and principle are, however, it seems to be, by some strange perversity within us, that these considerations are too often undervalued or even ignored.

Serious studies into the nature of leadership tend naturally toward generalizations within that range of interests which determines the particular investigator's point of view. The biologist generalizes biologically; the historian in terms of history; the psychologist from the angle of psychology; and so on. But the scholarly instinct for dissecting, analyzing, classifying, and describing seems not yet to have arrived at a system of selecting, identifying, weighing, and combining into a working formula the countless variables that enter into the phenomenon of leadership.

For lack of scientific guidance in the selection and coaching of candidates for leadership, the practical business man is therefore reduced to the alternative of generalizing from rules of thumb as revealed by the trials and errors of past experience and as tempered by his intuition, or of frankly letting nature take its course. Whatever his formula may be, and even though the errors and wastes of his method are unknown, the excellence of the results, as measured by the record of leadership in American industry, seems to indicate that it works surprisingly well.

But here again I venture the opinion that the good results bear witness to the inherent capacity and enduring qualities of the individual who achieves leadership, rather than to the soundness and efficacy of the methods employed in selecting

and training him. That may be why the biography of leadership is so likely to be a story that tells of a man's brilliance, courage, imagination, or some other combination of individual traits and attainments; seldom is the story told in terms of contributions to his development by agencies external to himself.

Apparently, we are dealing with a phenomenon made up of complex human equations that, as my predecessors in this course have so ably demonstrated, are neither to be measured nor resolved by ordinary methods of analysis and generalization. Previous discussions in this series have brought out, for example, that leadership is not definable in fixed terms. The specifications change with the passing of time. Different situations call for different types of leaders. Degrees of leadership vary from the lesser to the greater. No two leaders have the same equipment, nor do they operate by the same technique. If it is every dangerous to generalize where the human equation is concerned, the case of leadership in industry seems to be particularly hazardous. Fundamentally, the very essence of its being, in whatever form or degree, is *individuality*.

In its bearing on the problem of preparing men for leadership, this may sound like an argument of futility. It is not meant to be such; it is intended, rather, as a statement of the hypothesis that must underlie all practical ways and means of developing in men the power to lead.

**The College Graduate as a Potential Leader.** Were time and space available, it might be profitable to undertake an appraisal of the contributions which the liberal college and especially the school of business administration are making to the supply of material for leadership in industry. There is always need, in approaching this subject, for taking common ground. The fact is that the attitude of the public, not excepting the active man of affairs, often brings dismay to the college teacher and administrator. One man has blind faith in the omnipotence of higher education. Another goes to the extremes of skepticism. In between are those who lean in one direction or the other. Too many credit the college with doing, or blame it for

not failing to do, various things which the institution neither presumes to do nor could do if it tried. One delusion is that formal educational training for business is intended to relieve, or is capable of relieving, industry from all educational responsibility. Another fallacy is that unless the educational equipment of the beginner in industry is immediately and literally applicable to the routines of industry, its practical value is negligible. There are plenty of other deterrents to valid understanding of the what, why, and wherefore of the educational contribution.

So it is with the college graduate going into business. He may be looked upon as a being apart, endowed with peculiar powers by some magic of academic alchemy. Or he may be summarily damned for the sins and shortcomings of his kind. Either estimate, so far as it goes, may have some basis of fact. As a one-sided estimate, however, it may be unfair to the youngster and, just as surely, it may work to the disadvantage of his employer. For one thing, having qualified for a degree, the graduate is not all liability. Being human, he cannot be all asset. The variables that enter into his equation may be many and elusive. No good can come from the impulse or habit of arguing from either his apparent virtues or his bothersome shortcomings that he is to be relegated out of hand to this, that, or another category of the good, bad, or indifferent.

Above all he is an *individual*. If his resources are to be realized upon, he must be considered and handled as an individual. If we give him a job, it ought to be with the frank assumption that in order to capitalize his assets, we must make reasonable allowance for his liabilities. In any case, he is one item of the industrial work in process that cannot be perfected by methods of mass production or by rules of standardization.

This is neither the time nor the place to examine in greater detail the strength and weakness of the educational institutions in preparing men for the experiences of business. Nor is it feasible here to enter into a more exhaustive analysis of the pros and cons that determine whether the emerging graduate is a symbol of profit or of loss in terms of his value to industry. At all events, however, it is of tremendous importance to all

the parties at interest that industry understand what may reasonably be expected of the colleges and of their product.

Industry cannot understand by relying on impressions brought down from the "bright college years" of former times. Nor can industry afford, on its own account, to stultify itself by resorting to dogmatic judgments or amateurish methods in dealing with the college man. If the future of industry hangs on the quality of its leadership, then the making of leaders is one of the major issues of the industrial outlook. If the colleges, business schools, and other professional schools are, as they surely appear to be, the main sources of the material from which leadership is to be fashioned, then industry must deal with that material with the same order of open-mindedness, thoroughness and liberality that are so conspicuously accorded to other major factors in the industrial schedule.

**Industry--The Training Ground for Leadership.** Having thus generalized so freely regarding the dangers of generalization, in so far as that method of approach applies to the college graduate and his candidacy for leadership, it may be well to look more closely into some of the specific issues bearing on the part which industry plays in helping college men to qualify as leaders. It is here, as I have already suggested, that traits of heredity, native ability, character, education, and all other elements in the personal equation will be fused and tested. The aspiring leader will be made—if he is to be made at all—in the midst of the industrial environment.

If the foregoing assumptions are measurably sound, may we not raise the question whether industry is doing its full share in the cultivation of its own leadership? In support of a frankly negative answer to this question, I would register the belief that industry has not yet seriously interested itself in the problem.

For one thing, what is the reason that industry is seeking college graduates in such constantly increasing numbers? Is it for the purpose of finding embryonic leaders? Here and there, perhaps, that may be a part of the objective. At best, however, it is likely to be but one of several purposes, and generally an incidental and subordinate one.

The main object, quite naturally, is to find men adaptable to more immediate requirements. At one end of the scale, these requirements may call for men who will quickly become productive in specific ways, without regard to their fitness for broader and higher responsibilities.

On the other hand, one of the most interesting and significant developments of the last decade or two is reflected in the rapidly growing practice of employers to look to the colleges and professional schools for men to be trained for the ranks of executive personnel in all kinds and sizes of business organizations. The employment and training of graduates has, in many cases, become so regular and important an objective, that the function has been delegated to officers and divisions created for that purpose alone.

Men having been hired, their training may vary from a brief period of "breaking-in" to elaborate programs, including courses of instruction, rotation schedules, orientation plans, part-time classes, periodic conferences, examinations, promotion schedules, etc., all designed to assist the recruit to adjust, adapt, and develop himself as a potential executive. But whether the training plan be a minimum period of "breaking-in," staking all on "survival of the fittest," or whether the program be elaborately and carefully devised, with far-reaching objectives, it does not mean that the finding and development of *leaders* is a primary factor in the project.

The purpose to train men as *executives* need not imply that they are to be prepared for *leadership*. Earlier in this course, Mr. Cowley has made a valid distinction between "leadership" and "headship." To the same point, Mr. John Mills has recently argued<sup>1</sup> that we speak of "leaders" when we mean "executives," and perhaps of "executives" when we mean "leaders"; that the terms are not synonymous, although many an executive would like to persuade himself that they are.

Whether or not we follow or accept such refinements of differentiation, we can probably agree that the industrial

<sup>1</sup> "Know Thyself—A Mutual Requirement for an Employer and an Employee," by John Mills, *The Management Review*, December, 1927.

employer's interest in the development of leaders is likely to be of a relatively academic kind or, at the most, incidental to more concrete and seemingly more practical purposes. This is not to be wondered at. Except in time of pressing need or of crisis, the urge to provide for a succession or change of leaders is not likely to be acutely felt.

Where dearth of potential leaders becomes a matter of real concern, the plain difficulties of devising means of selecting and training men may discourage the attempt. Even if the attempt is made, it may encounter serious obstacles set up by conservatism, inertia, skepticism, and resistance within the organization. Initial failures, disappointments, disagreements, and exasperations will too often be made the reason for throwing overboard an ambitious program, soundly conceived and vigorously promoted as it may have been. Such reversions to attitudes of passive opportunism mean not only futility of effort in the particular venture but, worst still, they prejudice further projects of like purpose.

**The Responsibility of Industry.** But I submit that if an organization is to ensure its future against those hazards of instability, decay, and possible dissolution that accrue from the inadequacies of leadership, it is incumbent on that organization to accept, as a first order of business, the obligation of making due provision for the leadership succession of tomorrow. If the present order is to persist in its course of building a system of limitless magnitude and ever-greater complexity, either the requisite powers of direction and control are to be made available, or the whole structure may be brought down upon our heads.

As a matter of social obligation there is reason for organized industry to assume a larger share in this enterprise of fostering a high order of industrial statesmanship. If advancement of leadership is permitted to lag behind industrial progress in other directions, may it not be that the stability and continuity of the existing social order will be seriously endangered?

In no lesser degree, moreover, considerations of enlightened self-interest demand that the individual industrial organization

concern itself with the need for a superior type of leadership ; a need which grows more acute as the industrial unit becomes constantly larger, more complex, and more delicately adjusted. The most serious obstacle to sound growth and, indeed, to continuity of existence, seems to reside in the difficulty of ensuring a leadership that will not only be sufficient unto the day, but will take on quality and capacity for growth on a constantly accelerating scale. Nothing can be more fatal to industrial health than that the wrong man or group of men, coming to the top through the chance working of a haphazard system of selection and training, will retard or destroy the constructive work of years. It is an old story, and we have all too many evidences that it will be re-told in the records of the industrial future. The tragedy is that with each re-telling, the consequences become more far-reaching and disastrous.

**Requisites of the Industrial Program.** Coming down to cases, in at least outlining the manner in which industry may assume a more definite and constructive part in this great project, I would disclaim, first of all, any exaggerated idea of the utility or practicability of any plan or method that does not answer the tests of intelligent self-interest and sound business policy. The only concession, asked or deserved, is that thinking and judgments shall consider net profit in terms of the whole situation and the long-time result.

By the same token, I would renounce faith in the efficacy of any preconceived theory, fixed formula, or standardized method, so far as these have to do with the practical problem of preparing men for leadership in the course of experience within a business organization. The conditions, requirements, and facilities of no two organizations are the same. It would be futile to prescribe uniform plans and procedures. Wide margins must, by the nature of the case, be allowed the individual organization for the free play of initiative and experimentation in dealing with a problem in which individuality is the dominant characteristic and requirement. . . .

I am persuaded, however, that the acceptance of certain fundamental considerations will open the way for constructive

and profitable results. One consideration is that industry seriously and genuinely interest itself in the enterprise and frankly recognize the far-reaching importance of the objective. This means that the maximum development of man-power, as an essential function of management, shall be placed on a par with other major functions.

It will not do, as not infrequently happens, that the heads of a concern are persuaded, either by their own reasoning or by the cogency of arguments from other sources, to declare: "We need new blood for the headships of our departments and the future leadership of our affairs. Let us go to canvass the colleges for young men, and establish a training course."

Such a pronouncement may mean the beginning of a sound and far-reaching project. Too often it means that the job is delegated to a minor officer who can be spared from other duties and who is turned loose with vaguely defined instructions, a drawing account for expenses, and a warning that the future of the job is "up to him." With that, so far as the powers that be are concerned, the matter is dismissed. The recruiting and training officer may have the ability, force, and persistence required to achieve success, command recognition, and win renewed support for his work. He may, on the other hand, soon find himself and his function so isolated and so lacking of cooperation that both he and his work pass out of the picture or are reduced to the status of a commonplace routine.

But if this problem is to be given the weight that it must be given to become significant at all, it needs be made a matter of genuine concern. It deserves recognition as the subject-matter of a comprehensive policy, the objectives of which should be recognized by, and enjoined upon, the organization as a whole. Whether that policy should call for definition of functions to be delegated to an agency specifically created for the purpose, or whether the responsibility should be defined in other terms, is not now in point. In any case, the policy should prescribe that the function is important enough to command the respect, cooperation, and support of the entire management and executive personnel.



Free hand should be given to research and experiment. Neither quick returns nor precisely measurable outcomes ought to be required or expected. Initial mistakes and negative results must be allowed for. Granted that the function should be held accountable for the profitability of its product, the measurement of profit ought always to take into account all dimensions of the product and all the elements that enter into its valuation.

Another requisite to workable plans for preparing men as leaders is that sound conceptions of leadership shall underlie and govern the project. Here, again, it would be futile to set down a hard and fast schedule of requirements. The specifications of leadership for a given situation are not reducible to fixed terms, for too many variables and imponderables enter into both the situation and the man. The difficulty is not that the conception may be too broad and indefinite, but that it may be too narrow, inflexible, and dogmatic. Better no standard at all than one that takes form only from the dead hand of tradition or habit.

It is easy, for example, to argue from precedent or example that the requisites of leadership fall into one or another category. One may point to records of leaders in the past and lay stress on such attributes as inventive genius, native shrewdness, courage, force, imagination, and other manifestations of generalship. Or one may be tempted, by reasoning from special cases, to mistake form for substance by assuming that the manner in which a dominating personality seems to influence men and events is an essential factor in the leadership formula.

Impressive and convincing as records and examples may be, it is well to remember that this is another day; that, with the passing of time, new conditions and changing standards call for different equipments and new measures of value. The old order of one-man dictatorship has had its day; where it still persists there is reason to believe that it succeeds in spite of, rather than because of, some of the picturesque manifestations of temperament and personality that tradition is so wont to portray.

The least that is called for is that present-day dimensions of

the leader and of leadership be determined by present-day standards. Sound appraisal cannot leave out such distinguishing requisites as breadth of intellectual outlook, international mindedness, respect for the methods and contributions of science, capacity for objective thinking, disciplined judgment, high sense of ethical and cultural values, as well as other characteristics that seem to be more conspicuous in the best of modern leadership than in the high places of the industrial world of earlier times.

As valuation of leadership for the present is more discriminating than the weight given to the more elemental standards of the past, so must today's conceptions yield to the more exacting requirements of the emerging future. There will be less room for incursions into unexplored regions, less opportunity for exploitation of undeveloped resources, and fewer situations open to rough-shod methods of getting quick results and large returns. There will be greater need for breadth of perspective beyond local and national horizons, for clear sense of direction through the twilight zone between private privilege and public interest, for grasp of relationship between the play of economic forces and the course of practical business policy, and for intelligent understanding of, and decent respect for, the laws of ethics and social responsibility. The objective must be for nicety of adjustment and coordination, for unity and balance of control, for stability and continuity of growth.

Having again risked the dangers of generalization in establishing the need for an adequate idea of the kind of leadership that is to be the objective of a working policy, it follows that the practical course of action to be followed, in at least some of its aspects, is due for analysis. Space does not permit of giving attention to more than certain fundamental considerations that bear on the problem.<sup>1</sup>

**• The Probationary Period of Training and Selection.** Without attempting the impossible task of specifying how best to provide for the initial training of college men entering industry,

<sup>1</sup> W. W. Charters, *The Discovery of Executive Talent* (American Management Association), Annual Convention Series, No. 69, 1927.

it may be assumed that men of outstanding promise generally need much the same sort of orientation and probation that men of lesser capacity require. Indeed, there is no other reliable way of determining how men are to be rated in terms of relative capacity and promise. For these reasons, the early period of employment is very significant, whether it means, in one case, a minimum of time and machinery or, in another situation, a prolonged and elaborate training course.

By whatever procedure the process of "breaking-in" is effected, certain principles have bearing on the problem in general. In the first place, there is the fundamental importance of making actual productive *work* the principal medium of orientation, of instruction in routines and techniques, of determining aptitudes and capacities, and of accomplishing the other purposes of the training period. This consideration is stressed because many progressive employers, in the zeal for educational service to recruits from the colleges, have undervalued the strategic value of putting beginners directly and literally to work in the normal channels of business.

Granted that there may be reason and profit in paying men to serve time as "observers," "visitors," "students," etc., but without productive work to do, it is doubtful whether the gains are not more than offset by the losses. For one thing, there are other and, I believe, better ways of enabling the beginner to acquire needed perspective and sense of interrelationships and to "get the feeling" of an organization. But the significant thing is that any plan which fails to capitalize to the utmost all that the beginner brings of energy, ambition, enthusiasm, and urge to "get going" is sacrificing the most valuable asset he has to offer. In my opinion, the plan which tends to divert or detach men from the stimulus and manifold profits that accrue from the realities of experience and self-expression, is likely to be of relatively doubtful value.

In many organizations various types of training courses have been developed to supplement productive employment, as a means of instructing beginners in the facts, problems, principles, methods, and other aspects of the business. Generally speaking,

such courses serve a highly useful purpose and yield many advantages to both employer and employed.

Now and then, however, it appears that such plans suffer in their results from faulty organization, unsound method, or both. At one point, an exaggerated notion of the value attaching to courses of instruction may be one of the difficulties. Just as the man in the street is prompted to say, "There ought to be a law," it has become almost as easy for the enthusiast for training to urge the giving of courses for this, that, and many another purpose. Necessary and useful as laws and courses can be, a too free exercise of either device carries plain limitations.

Again, the training course may defeat much of its purpose if its subject-matter and personnel are too detached from, and unrelated to, the organization and going affairs of the business which it is designed to serve. Certainly, the business itself offers all the materials and the best facilities that are required for the most effective kind of instruction. By resorting to other sources, the most valuable medium of training is ignored.

Unless the training course, its personnel, and its functions are kept closely and directly tied in with the purposes and operations of the business as a whole, its reasons for being are likely to become steadily less. It cannot function effectively as an isolated unit, lacking close contact with, and the constant support of, the entire organization from major executives down.

Throughout the period of training and trial it is of the utmost importance that educational incentives and values shall reside, inherently and implicitly, in each process and phase of the work done and in the conditions surrounding it. For the alert, intelligent, ambitious youngster can be kept intellectually alive and moving only by being kept in action, by demands upon his intellect, by providing outlets for his energy, and by the sharpening of his aspirations.

**The Period of Directed Growth.** But the period of initial training is not the most significant stage in the preparation of candidates for leadership. The critical point is reached when beginners are to be rated, selected, and assigned as fully initiated members of the organization.

The danger is that judgments of men will be passed superficially and with undue prejudice. Preconceived ideas may close one mind against those who fail to conform. Other minds may be incapable of seeing beyond the local and immediate needs which men will be required to serve. It is at this point that genuinely objective standards of appraising men and situations must be brought into play if the quest for leaders is not to be seriously prejudiced.

If judgment is fortunate, and men of outstanding promise are uncovered, the chances are that subsequent stages in their development will follow—if they are to follow—in natural course. But here, too, fixed ideas and inflexible policy may retard and possibly prevent the processes of growth. For belief persists, here and there, that no man is entitled to advancement to the higher places except as he may work his way up through all the ranks. It is held that the discipline and seasoning properties of such a course are indispensable; that to short-cut is hazardous to morale and stability.

Reasoning to that effect may, as far as it goes, be valid. Yet if we are concerned with the conspicuously exceptional man, why adhere to procedures designed for the average case? "Going through the mill" may in truth be good for him. But does it ensure his greatest good? More than that, is it for the good of the organization that his full growth be unnecessarily retarded, and the time for realizing the full value of his powers be unduly postponed for the sake of convention? May not this be the best of occasions for making exception to ordinary procedures in the interest of ensuring the extraordinary result?

One of the obstacles which industry occasionally imposes upon itself, in the process of developing man-power, arises from the tendency of the mature business man, otherwise progressive and liberal, to become a hesitant conservative or a militant fundamentalist in his attitude toward the younger generation, especially those who have recently come to business from the colleges. Granted that he may find plenty of reasons for perplexity and exasperation, it is easy, nevertheless, to carry an attitude of caution and skepticism beyond the point of profitable

self-interest. For, after all, history tends but to repeat itself. If the full truth be known, the brilliant youngster of today is likely to enter business with much the same earmarks of youth and immaturity that his superior officer, in his day, brought to the world of affairs.

Once the man of exceptional promise is discovered, the interests of all concerned would seem to demand that he be withdrawn from normal channels and placed where he will receive the full benefit of all that the organization has to contribute toward the breadth and completeness of his mature development. This may mean, in one case, that he be assigned at once to that function for which he may show marked aptitude and preference. Or, if he is pointed toward broader, less specific duties, he may be given special details of service where he will have intimate touch with various functions under the guidance of, and stimulus of contact with, general officers. In any case, whatever treatment may appear to be feasible and well advised according to conditions within the particular organization and to the qualities of the individual, the vital thing is to see that his talents are accorded abundant room and facilities for full and unimpeded growth.

**Conclusion.** In bringing this discussion to an inconclusive end, it becomes all too evident that scant justice has been done a subject of far-reaching scope and importance. The subject is too broad for such partial treatment that has been accorded to it here. It is too vital a subject thus to be dismissed with any thought that more than its surface has been touched.

Indeed, this is a matter that deserves more thorough-going study and discussion that either science or industry has yet seen fit to give it. The fact that it presents exceedingly difficult problems of both objective investigation and practical administration is the greater reason for approaching it boldly and pursuing it persistently. For all too long the fact that the situation is compounded of intangibles and imponderables has deterred the scientist and the man of affairs from facing its issues.

Finally, the only conclusion that I would presume to draw

is that further, more comprehensive, and more thorough examination of the subject must take into account and proceed from certain governing considerations which it has been the purpose of this chapter to identify. These may be summarized in some such terms as the following—

1. Sufficiency of leadership, as a requisite of industrial stability and progress, is contingent upon effective utilization of the materials of leadership to be derived in large part from institutions of higher learning.

2. The phenomenon of industrial leadership is essentially the joint product of qualities and forces inherent in the individual, and of conditions and influences brought to bear in the course of his educational and industrial experience.

3. Hence, the obligation of industry, as the party most at interest and as the external agency of highest potential influence, to assume as a major function greater responsibility for supplying the conditions, means, and incentives that are best warranted to enable, assist, and incite the individual to make the most of his talents for leadership.

4. Discharge of this function by an industrial organization calls for adequate definition of, and highly objective standards of appraising qualification for, industrial leadership, and for policies designed specifically to ensure maximum returns from the training and development of the exceptional man as an *individual*.

### QUESTIONS

1. What educational components enter into the college graduate's equipment for industrial leadership?

2. What agencies contribute to that equipment?

3. Of what significance is the individual in the process of education for leadership?

4. Is industry doing its part in the cultivation of its leadership?

5. How may industry stimulate the growth of its leadership?

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## CHAPTER XXIV

### THE LEADER AS TEACHER AND PHILOSOPHER<sup>1</sup>

**From Freedom of the Will to Freedom of Work.** If I were to begin this presentation with the freedom of the will, you would know me at once to be a philosopher. You would probably also think me foolish. So I shall begin with the freedom of the will. But I shall not end with the will nor tarry long over that ancient entity. For the question as to the freedom of the will sifts very soon through intelligent sand down to the problem of freedom in carrying out what is willed; and this lower level of understanding is bounded on all sides by economic and political and social complexities.

Freedom in any form is certainly an ancient and an honorable ideal. The most significant question indeed that can be raised regarding work, industrial or otherwise, is whether it is worthy of free men; and this means whether it can be better done by free men and whether the doing of it makes free men freer still. Since the leader is always leader in some work to be done, we describe his function as one of releasing and appropriating the energies of men with whom he works, and we assess his value and success with relation to the degree in which he promotes this high human goal. Freedom, as used here, while an ideal, is not something up in the air; it connotes, quite simply, the feeling of satisfaction that comes with learning new things, with full use of one's powers, with the consciousness of having done well a job worth doing—in short, it connotes *growth*.

But before we can judge a leader as a promoter of human freedom, we need to know both the negative obstacles against which he works and the positive values for which he strives.

<sup>1</sup> Thomas V. Smith, Professor of Philosophy, University of Chicago; Associate Editor, *International Journal of Ethics*; Author, *The Democratic Way of Life*, and *The American Philosophy of Equality*.



If freedom means, as we now assume, the ability on the part of men to do what they most want to do, i.e. what they have willed and do will, then the major enemies stand already identified as (1) ill-health, (2) poverty, and (3) ignorance. A sick man may have many wants, but he cannot satisfy them and so is not free. A poor man may have many ambitions, but he cannot realize them and so is not free. An ignorant man may commit himself to the satisfaction of desires which in the light of the sequel, which but for ignorance he would have foreseen, turns into dissatisfaction and leaves his life a failure because it is too late to redirect his energies. If industrial activity is "the process whereby society attempts to satisfy the wants of its members," then ignorance, which prevents men from ascertaining their wants under prevision of consequences, ill-health, and poverty, which on the one hand prevent men's having hearty wants, and on the other hand from realizing their settled desires—these three are the enemies of the good life. Of these three the greatest is ignorance. This litany of the poet acknowledges ignorance as the prime human shame—

I made the cross myself  
Whose weight was later laid on me.  
This thought is torture  
As I toil up life's steep Calvary.

To think mine own hands drove the nails!  
I sang a merry song  
And chose the heaviest wood I had  
To make it firm and strong.

If I had guessed, if I had dreamed,  
Its weight was meant for me,  
I should have made a lighter cross  
To bear up Calvary.

Let us in covering our subject—"The Leader as Teacher and Philosopher"—note now the function of the leader in relation to these three criteria, beginning with him as teacher curing ignorance and ending with him as philosopher trying to cope with health and wealth.

**The Leader as Teacher—Willy-nilly.** That there is a kind of work that can best be done by dumbbells must, of course,

be admitted as one of the tragedies of our civilization. In relation to such work the teaching function of the leader is at its minimum and his philosophic function reduced to sheer stoicism. There is nothing to teach, and nobody to teach it to. If such work were inevitable, the less said about it the better. The Greeks were wise in treating slavery for the most part with silence. But it is obvious that the honorific term "leader" is debased in being applied to one whose business is to oversee such work. Slavery calls for slave-drivers, not for leaders. We do not need even "headmen" for headless men; we need block-heads. The function of the philosopher and of all humane men in relation to that side of our civilization, is to call spades spades with whatever shame attached, until we make it our major duty to get rid of work that degrades leaders to block-heads and workers to dumbbells. What are machines for except to do work either too heavy or too dumb or too nerve-racking for human beings; and what is mechanical genius for except to become engineer to civilize civilization? Leadership as envisaged in this series of conferences becomes possibly only when there is somebody capable of learning and something the learning of which will facilitate the job.

To talk in this vein does not seem to me to relegate our problem initially to the impossibility of Utopia. Much as some moan over the machine dominance of our age, I cannot but believe that in spite of the serious problems presented by mechanization, machinery has up to date freed humanity far more than it has enslaved it. I think our civilization sound at heart; otherwise, I should not think it fruitful to talk of its surface sores. I agree entirely with the implication of Professor Whitehead's observation in *Science and the Modern World* that: "In the immediate future there will be less security than in the immediate past, less stability . . . The fixed person for the fixed duties who in older societies was such a godsend, in the future will be a public danger." Where there is fluidity and change—as Whitehead foresees in increasing measure—learning counts; and where learning is needed, leaders must count as part of their task that of teaching. For a leader to

get himself regarded as a teacher contributes to heightened morale for all concerned. A teacher should be a helper, not a critic. Nowhere does dominance so quickly, or so obviously, defeat its own end as in the teacher. Nowhere, on the other hand, are the commonsense values more apparent than in a teaching relation: it blesses him who gives and him who takes. In the latter it abbreviates the path to skill and to harmonious activity; in the former it promotes growth and facilitates further learning. In both together as thus related, it creates what has already been vaguely called spiritual values—it generates fellowship. Where two or three are gathered together in the name of any task, there creativity goes on and values arise.

But it sounds as though I am talking in terms of lofty ideals, of what ought to be. Partly, yes; but largely I am talking in terms of what already is. That every leader actually sustains a teaching relation to his followers or workers is admitted. It is, in fact, inevitable. But since it is not the only relation involved, it may be regarded as insignificant, and the values that arise therefrom may be thought of as relatively unimportant by-products. It is, in fact, too frequently so regarded. But it is arguable, on the other hand, that this teaching relation, while not the only one, might fruitfully be regarded as a pivotal one, and that its values might be not merely good in themselves, but of no little methodological importance. Certainly to emphasize the teaching aspect of the leader's relation is one way of taking account of what has frequently been emphasized in this series by earlier speakers under the heads of democratic tendencies in industry, humanized leadership, and the conversion of dominance into cooperation.

Moreover, I presume it to be generally admitted that morale is now the richest vein to be worked by those whose major interest is merely in increased production. Either we have a very unjust distributive system, or our industrial civilization on its productive side has, with all its emphasis upon efficiency, nevertheless reached a plateau of production short of adequate production of basic goods and desirable luxuries, for the minimum needs of mankind. I shall return later to consider the

first alternative; but it may now be said, with regard to the second alternative, that even when men cannot be driven to produce more, it does not follow that they cannot produce more. Partnership, comradeship, friendship—these ancient “ships”—may yet become industrial treasureships. To tap and to release the latent energies of men is evidently the necessary next step for economic purposes as well as for ethical ends. Recognition of, and emphasis upon, the actually existent teacher-learner relation between leaders and workers is an available next step in the direction of heightened morale.

In order, however, to facilitate such an emphasis, critical attention needs to be fastened upon the whole conceptual imagery of modern life. This is, I presume, a job for a philosopher, perhaps upon the principle that fools rush in where angels fear to tread. One reason that leaders are slow to emphasize their teaching function lies in our habitual way of conceiving life in terms of travelling. If our history were entirely obscured by the mists of the past, we could guess for almost a certainty that we came from a nomadic and migratory people, because of the dominance in our language and thought of the notion of mobility. Now, when one is travelling, he puts up with hardships and foregoes privileges normally expected at home. Schools arise in the midst of settlements, not on the run. Historically, we have been always going somewhere, and as a result we are dominated by a “travel-image,” much as coming from a line of fighters we have made excessive use of the “fight-image.”

The recent challenging in many quarters of the present relevancy of the “fight-image” has seemed to me a very useful thing. Equally useful, I think, would be a bold challenging of the “travel-image.” Speaking for ourselves here and now, we really are not going anywhere. There’s nowhere to go. So why get all dressed up and fussed up about it? We are here, and we are here to stay. The problem is, therefore, not where to go, but how to live. Doubtless it is much more exciting to go somewhere; but it is much more useful and fruitful to recognize facts and get ready to live among them. Moving day is over

for mankind, however much the aftermath of migration may figure in our day dreams. What remains of the journey of life when figures of speech are dismissed, will take care of itself; for it is such as the trip from isolated and hungry protoplasm to embryo by slips of parent rather than by taking thought ourselves; it is such as the journey from embryo to cradle, barring slips on the part of the doctor; and if the rest must be described as a journey from the cradle to the grave, it is such a journey as can be better facilitated by studying how to live together than by celebrating metaphorically the flight of time. Life remains a job, not a journey. We are settled here, there is time for teaching, there is much to be learned, there are millions of learners, and there is dignity and gratitude and material reward awaiting leaders, industrial and otherwise, who will modestly conceive themselves as teachers, and then boldly exploit this side of their function.

For to learn is to lessen ignorance; and ignorance is the greatest enemy of happiness. Humanity comes of age as it accumulates knowledge and acquires vision. If all roads proposed are roads to freedom, as Bertrand Russell long ago put it,<sup>1</sup> then we must say that when the leader teaches, he is freeing men. To learn not merely what to do and how to do it, but how what one does is related to what others do in the same plant, and how the plant is related to other plants and they to others, until civilization itself is seen as the function of one's job, and the job itself becomes suffused with this far seeing—so to learn is to become a free person, a ready worker, a cooperative partner in whatever enterprise. It is, moreover, to take the philosophic view of life; for philosophy differs from gossip, according to Mr. Justice Holmes, in having more background. The leader who starts by thinking of himself as a teacher of technical processes for the sake of efficiency, cannot well end without glimpsing himself as a philosopher in envisaging and transferring to others an enthusiasm for the ethical ends that efficiency subserves.

<sup>1</sup> Bertrand Russell, *Proposed Roads to Freedom*, New York (Henry Holt & Co.), 1919.

**Leadership and Distribution of Wealth.** Foremost among these ends are wealth and health. The leader who becomes philosophic through comprehending the industrial process as a whole, has two possibilities when he thinks of such great ethical ends as these. He may think of them purely in terms of currently accepted norms, or he may, if he be philosophic enough, speculate freely about the norms themselves independently of established usage. Let me illustrate the way in which this philosophic eventuation is likely to develop if a leader be at all inclined to follow out the full implications of his profession. Let us begin with his relation to wealth.

Most of us, as industrial leaders, operate within a well established and generally unquestioned wage system, which serves to inhibit any far-reaching questions as to the distribution of the wealth produced through our leadership. We begin by being concerned not with distribution—save, perhaps, unrest over the inadequacy of our own salary—but with production. We have, indeed, achieved leadership upon the presumption that we are satisfied in general with the system on its distributive side, and that we are therefore the logical agents to help direct it, and perhaps to accelerate it, upon its productive side. It is very interesting to an ethical philosopher to notice that thus far in this series of lectures few searching questions have been pointed toward the question of distribution. Regardless of who gets the surplus, we feel our function as leaders discharged when we increase, or at least maintain, the output of goods. Our conception of leadership limits itself primarily to the creation of wealth. Even when the principle of equality was emphasized in an earlier paper by Mr. Tead, it was treated chiefly as a morale device to facilitate production. The teaching aspect of the leader has in this present chapter been so far discussed in the same vein; for the leader to achieve the democratic humanitarian relation suggested by the term teacher, has been emphasized as valuable primarily because of its stimulating the production of goods, and only secondarily because of its serving the creation of what I have vaguely called ethical values, i.e. of friendship and fellowship.

But as we turn from practice to philosophy, this slighted and all but rejected stone is likely to become head of the corner. There is easily a limit beyond which even my secondary emphasis upon ethical values cannot go inside the accepted realm of discourse, that is, without raising the question of distribution. For there is a deep persistence in human sentiment of the fraternity notion, a persistence enshrining itself even before Plato's time in the maxim that "with friends all things are common." Though we have separately compartmentized our acquisitiveness and our idealism, this older dream of unity and justice persists to father the lurking suspicion of hypocrisy against us all when we talk of a democratic ideal in industry. Like the shepherd, who leads his sheep for purposes of production alone, we acquire a vested interest in leadership. Even in our teaching capacity as leaders, we cannot get too friendly or teach too much; for if we become too friendly, the question will arise unasked, "Why not share our pay with our friendly colleagues, or workers who get less?" If we teach too much and too well, we may supplant ourselves on grounds of sheer merit. If my experience may be generalized, it is a rather cocky teacher who does not discover in successive classes students who have more sense than he himself has. Does it embarrass you, as confessedly it does me, to ask yourselves as leaders how you can justify the disproportionate salary you get? The surest justification is one that leaves me ethically insecure—the basic maxim of capitalism: "From each according to his ability, to each whatever he can get." Everybody's doing it! But we are not "everybody"; we are leaders.

Nor does it lift from us the veil of suspicion when we counsel ourselves in Miss Follett's fine terms to consider our leadership as "power-with" instead of as "power-over." For if "power-with," why not "income-with" instead of "income-over"? Power of any sort is broadly conditioned by and commensurate with wealth or income. Where wealth is distributed with such inequality as in America (2 per cent owning 40 per cent<sup>1</sup>), the

<sup>1</sup>Willford I. King, "Wealth Distribution in the Continental United States," *Journal of the American Statistical Association*, June, 1927.

ideal of a more equalized income presses harder on one's sense of justice. When the philosopher looks at the industrial process as a whole, in which we are leaders, he cannot but feel and press the problem of distribution. If he comes to the emphasis in no other way, he will, as already intimated, come face to face with it in his modest role of teacher. For men cannot deeply profit from teaching who have not reached a certain level of economic security and freedom: books, travel, curiosity, reserve of energy, power of concentration—these are all functions of the standard of living: and they increase without limit as wealth increases. Freedom in every significant sense rises with wealth, declines with poverty. Little wonder that certain industrialists who are determined not to face such problems prefer to keep men deeply religious.—Pittsburg is a great seat of Calvinism!—so that freedom will mean some metaphysical quality of the will, the high-sounding attribution of which will keep workers contented while leaders achieve real freedom by getting and doing what they want.

You see that I am not an industrialist. I am just a plain man and a philosopher. I press these considerations not because I have a solution, but because I have no solution, because I know of no available solution, because we must, however, be about their solution. If leaders elect to be blind to what is visible, they will either lead their followers into the ditch or get thrown into the ditch by their followers.

It is the possibility of the latter eventuation that introduces the new note of urgency into the contemporary problem of leadership. It is one thing to admit that one is ethically embarrassed when he asks *himself* why he should have more income than another man; but it is quite another thing to have the other man ask it—especially if he ask it in bellicose mood fortified by a new class consciousness. As long as the question was asked merely by ourselves in morally sensitive moments, nothing had to be done—nothing more drastic at least than the giving of charity. But when others ask the question, the hour is past for charity, perhaps the hour is then past for justice also. Infuriation counsels too often only with revenge.



Not only is the philosopher driven by his temperament and profession to ask such questions, but he is forced to see that they are being asked now by determined men in the market-places of the world. Capitalistic security—which means concretely my salary and yours—may be maintained for a time against impotent doctrinaires by deportation, but it must be maintained at last—if maintained it is to be—by reasoning satisfactory to the common-sense of rebellious men. Regardless of his interest, one is forced to see that when the capitalistic maxim, "From each according to his ability, to each whatever he can get," is opposed by the socialistic maxim, "From each according to his ability, to each according to his service," or by the communistic maxim, "From each according to his ability, to each according to his needs," one's capitalistic conscience grows uneasy at the comparison. The truth is that the maxim of capitalism is a statement of power, not of right; whereas both the others at least undertake to orient economic facts with reference to ethical ends.

With this invidious ethical comparison against us, does anyone suppose that the plight of our coal-miners, for instance—not to mention the worse plight of those in England—will remain finally accepted in a world which has in less than a dozen years seen labor unions grow from 13,000,000 to 46,000,000; seen half a dozen great capitalistic countries like France and England go politically socialistic; seen one of the greatest countries try communism openly, and against the combined hostility of the civilized world achieve, from their own point of view, a heartening measure of success? And does any wise leader suppose that blindly resisted change will come about peacefully in a world that in his own generation has engendered the thirst for blood and violence by killing off 10,000,000 men, and that has justified in high place the principle of dictatorship in at least four great countries?

Speaking as an ignorant man and a philosopher, and yet as one who loves democracy with its peaceful method of evolution, I would not alarm you if I could. But I would challenge you with the far-reaching responsibility of being leaders at this

juncture of civilization. Hope for solution of our basic problem grows as one turns on the light. Distribution will not take care of itself and leave us and our world the same. That is certain. Attention, therefore, to production is not enough to justify our assumption and retention of leadership. We have done much as leaders in production, we shall perhaps do more. But we may do something about the matter of distribution—when once we have awakened to the philosophic sense of our job, the sense of wholeness. But if our attempt to see industry and to see it whole is to content itself with half the whole—with efficient production—then the problem of distributing wealth and income must be taken care of on some other principle than that of insight. And force is the only alternative left. The tragedy of this alternative is that to distribute by force is to find oneself with nothing to distribute.

It is really pitiable—and not far from alarming—that there are in America today few, if any, industrial leaders who are thoroughly conscious of this side of the implications of their leadership. Our most eminent industrialists content themselves either on the one side with Mr. Mellon in “taking the world as they find it and following their consciences,” or with Mr. Rockefeller on the other in building a renown upon the basis of philanthropy. This situation must presumably remain at the top until a consciousness of the problem begins to develop among leaders who have not yet reached the top. We all, I assume, know by heart the answer that capitalism gives to such questioning as this, when it condescends to give a fairer answer than deportation or the militia. But we shall find a better answer only insofar as we become thoroughly conscious of all sides of the problem of leadership. We shall reach this consciousness through cultivating our sense of the function of industry conceived as a whole in relation to life and society as a whole. When we see economic activity as the exploitation of nature for purposes of cultivating, harmonizing, and satisfying the greatest desires of the greatest number, we shall see that they also serve the cause of freedom who only stand and work. An economist has in a very recent book declared that

"more and more there is a realization that the great problem of the years to come is not so much that of increasing material production as the wise use and better distribution of the wealth created. The mere production of wealth may not necessarily promote either prosperity or happiness, but its intelligent use may do both."<sup>1</sup> When we, rising to his level, see clearly that freedom waits on wealth, we shall then study how conscious distribution of wealth may contribute more to human freedom and joy than does selfish haphazardness under the livery of fixed economic laws.

**Leadership and the Distribution of Health.** But the moral of this philosophic aspect of industrial leadership will be reinforced if we turn now to the third condition of freedom—health. The difficulty of conscious social control of these means of freedom will also become clearer. The deficiency of present leadership will also grow upon us as we see how doctors as professional leaders are dealing with the distribution, so to say, of health.

Health is in many senses the basic human good. So basic is it that democratizing tendencies will make themselves fruitful around it, if anywhere. For even one who might think idly or complacently of the fact that with all our productive machinery so small a proportion of our people share in the ownership of our wealth, could not maintain his composure at so unequal a distribution of health. Well might he, indeed, shudder at the prospect. For neglect of public health carries a terrible private retribution: a small percentage of people cannot be permanently healthy in a diseased population. Money cannot buy complete immunity against prevailing infection: germs are great equalitarians. It can be replied in good faith that distribution of health does not wait upon distribution of wealth. It does not altogether, and yet it is quite idle to talk of the poor's having as good a chance at health as the rich. The fair chance they do not have comes, as we shall soon see, from the doctors' undertaking as leaders what we ourselves disavow—some attempt at equalizing income, if not wealth.

<sup>1</sup> Falkner, *Economic History of the United States*, New York (The Macmillan Co.), 1928, p. 287.

The reason that this relation is not obvious is that a grossly aristocratic philosophy applied to health so outrages our sense of justice, that we have gone farther than we recognize in democratizing the means to health. To put it thus may serve to call attention to the precariousness of progress which goes on out of the know, not to say in the dark. There was a time when, since it was cheaper to get a new slave than to cure an ill one, death was welcomed as an economic asset, just as still excessive child-bearing may be the occasion for patriotic and religious encomia upon the glory of motherhood by those who profit from a cheap labor market. We have certainly reached the stage, however, when neglect of human health seems a crime, if openly displayed. Heavy rationalization is necessary if such neglect is to be covered with a mantle of respectability. It is, however, an admittedly long step from this disreputability of health neglect to a positive acceptance of robust health as a minimum duty of society to each humblest of its members. I do not speak here of the more subtle contributions to happiness that psychiatry may make as its gift to health. It will be time to talk of the psychological optimum when we are in closer range of the physiological minimum of health. :

There are today three agencies of hope as regards the health ideal: (1) industry itself, (2) public health agencies governmentally administered, (3) the medical profession. Something is being done by each of these to produce this basic human good, i.e. to distribute or make accessible to all the knowledge, conditions of work, and therapeutic treatment that together condition health. Industry<sup>1</sup> itself has accepted a small stewardship here, though as yet less than 1 per cent of industrial plants in America maintain adequate medical service for employees. While government, particularly in this country, has not yet seriously raised the question of old age and health insurance, it has done something toward promoting accident insurance, and has made substantial contributions through its public

<sup>1</sup> J. D. Hackett, *Health Maintenance in Industry*, Chicago (A. W. Shaw Co.), 1927.

health administration.<sup>1</sup> The science of medicine has the world over, and most of all in America, made notable advance in recent times. And the practice of medicine has not been without some progress, in spite of lagging far behind the scientific vanguard. It is in no spirit of belittling any of these agencies of progress that I go on to point out the common limitation of them all. All alike have suffered from failing to rise from the charity level to the justice level in dealing with health: consider the industrialist who looks after the health of employees primarily because he thus safeguards and increases production, not of their health, but of his wealth; consider the doctor who treats only the well-to-do or the newspaper poor; consider government that concerns itself with public health because it fears the next election, rather than because it considers it a basic right of all citizens to be well. The root difficulty covered above by the contrast between justice and charity will appear if we center further discussion of health around the medical profession. For they stand related to health as you to wealth. Though as a profession they claim to put service above income, their leadership suffers from the same lopsidedness as does the leadership of those who ignore the problem of distribution in admitted preoccupation with the production of wealth. Considering all the circumstances, I do not deny that it is a tribute to the humanity of medical men that health is as widely distributed as it is, as in a sense it must also be admitted as a tribute to industrialists that more people are not ground to the very dust in economic competition. But let us praise with discrimination, as befits philosophers.

The medical profession attempts to carry single-handed and in the dark a burden that is heavy enough if borne by all civilized men in the light. Doctors attempt, in a society of great economic inequality, to arrange *sub rosa* in the name of health a redistribution of wealth. They do this by charging, more or less surreptitiously and less or more apologetically, differential fees. They charge the wealthy heavy fees in order

<sup>1</sup> Leigh, *Health Administration in the United States*, New York (Harper Bros.), 1927.

to do for the poor without fees what they do for the middle class for just fees. At least this is the theory. In practice, it is commonly felt that the fees for the middle class suffer inflation by too close association with the upper fees—the doctor does his middle-class patients the American honor of “keeping them up with the Joneses”—and so, as commonly reported, the wealthy and the quite poor get the most adequate medical attention in America. This is a difficult matter and many points are confessedly confused. But one point seems clear.

And that is that since the medical profession must, in self-defence, undertake the social philosopher's job of more or less equalizing wealth—for the industrial community will not suffer them to neglect the health of those to whom it itself denies more than a charity wage—medical men ought to accept the philosophic responsibility of thinking in the largest possible way about what they are doing, they ought to become self-conscious leaders of social policy. They ought not to “see red” at the mere mention of the socialization of medicine. They ought not to resent the community's interest in, and criticism of, the principles whereby they set about a job for which they got no training in the medical school. They ought to welcome industry's selfish and government's feeble efforts to help them deal in some organized way with a problem that baffles private dabbling, and will tax to the limit organizational ingenuity and resources. I boldly say *ought*, for after all, the health of a people is more important than the pride or prejudice of a professional class.

Let the foregoing stand as a statement of ideals. The facts are that no captain of industry fights harder or more blindly against what he thinks a socialistic menace to his private business than do modern doctors as a class against any socializing tendencies in the dispensation of medicine. They prefer to keep health on the same capitalistic basis as industrialists do wealth; and—I hazard—for the same, or similar, reasons. The doctor prefers to handle privately as charity—however expensive or trying or socially irresponsible—the health of what may turn out to be the majority of our people. He really ought not

to be allowed to sacrifice himself thus upon the high altar of sacrificial service!

The doctor inherits that part of the problem of leadership with which you refuse to deal—the distribution of wealth. He cannot deal with it frankly because he inherits along with the problem the prejudice which prevents your dealing with it in the first place. But he cannot ignore it as you do, for he belongs to a profession that has to espouse a higher sounding motto than the one that reads “business is business.” You are entitled to take exception to the imputation of that statement; for, as you may well reply, this is 1928, not 1800. Is not business itself becoming a profession? I hope so. But that hope cannot be vindicated except by evidence that you are willing to look kindly upon your own doorstep at the waif which we refuse to let the doctor treat unkindly when he finds it upon his door-step.

**Pluralistic Leadership and Human Welfare.** But I must not pursue the doctor. I meant not to convict him, but to use him as a means of winning you - winning you, however, not to a dogma, nor yet to any thought-out doctrinaire solution, but to sympathy for our common problem in modern civilization, the problem of seeing the social process as a whole, of doing well as justice what we do poorly as charity, of producing the good life as a part of, or a sequel to, the production of goods. In short, I wished to win you to the philosophic way of life. The doctors are eminent leaders in an eminent cause. We can see their failure without affixing blame. The moral seems clear: there are no master leaders able to assume the master burden of how men may achieve freedom through distribution of the means thereunto—the means of health, of wealth, and of wisdom. In the absence of gods-become-men, we must become “men like gods,” distributing this burden of leadership and taking each his share in proportion to his ability and pretension as leader. The theologian has kept our treasures in heaven too long. The philosopher has kept them in his head long enough. Now comes the turn of earth and men. But since the philosopher cannot—alas!—become a captain of industry, industrial

leaders must grow philosophic. For until your economic means and our ethical ends get together, mankind will not be happy, nor the cities of men be at peace.

### QUESTIONS

1. Whither, leaders?
2. Can a man be free who is either poor, or ignorant, or ill?
3. Can you justify a larger salary for yourself than others get?
4. Does might make right; if not, what does?
5. Are men as much entitled to wealth as to health?

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## CHAPTER XXV

### LEADERSHIP AND A PHILOSOPHY OF LIFE<sup>1</sup>

As I have read through the manuscript of this volume, I have discovered such riches of material that I find it quite impossible to make a survey and a summary. It would not only take far more than my allotted space of time, but it would doubtless bore you to hear repeated what already has been so finely written. Let me again, therefore, as on former occasions, play the part of the philosopher and make directly for the essentials.

I find one significant strain running through most of the discussions. You will remember that at the beginning of this book Dr. Wiggam was insistent that the great problem of our age was to learn how to breed for leadership. He took as the basis of his argument conclusions derived from a study of royal families and individuals of wealth. I do not find that his suggestion met with hearty response from the succeeding contributors. This was due, I take it, not so much to any fault in the biological argument, as to a lack of clear recognition of the fact that the concept of leadership had fundamentally changed. This, you will remember, was stressed by Dr. Mosher and Dr. Mann. It was also stressed with peculiar power by Dr. Cowley in his analysis leading to the conclusion that leadership is always *specific*. There is no such thing, he concluded, as leadership *as such*, leadership as a quality that is the same in all types of leaders. You will remember that he disagreed with the position that psychological tests could discover certain qualities common to all leaders, so that leaders could be selected early in their career. And you will remember Miss Follett's penetrating criticism of the attempt to regard "aggressiveness" as a necessary trait in a leader. As a matter of fact, it was concluded by several lecturers that to accept as

<sup>1</sup> H. A. Overstreet, Professor of Philosophy, College of the City of New York; Author, *Influencing Human Behavior and About Ourselves*.

of universal application the results of tests given to particular types of leaders would prove not only misleading, but highly dangerous.

Thus the minds of the contributors were in largest measure bent upon the question: What type of leadership are we to understand as preeminently the type to be desired in business? As I go over the different answers, I seem to find one agreement: The leadership is not to be by fiat, to use Mr. Tead's expressive word. It is not to be from above down. It is not to be by power over. Rather it is to be the kind of leadership which enlists the voluntary and cordial cooperation of the group. It is to be power with and through. You will remember Mr. Cooke's carefully conceived definition: "Leadership is the name for that combination of qualities by the possession of which one is able to get something done in cooperation with others chiefly because through the leader's initiative, those cooperating have been made parties to the objective, and through his influence they are willing—even anxious—to aid in its accomplishment." And you will remember among other illuminating sentences of Miss Follett's her statement "~~that the best leader~~ knows how to make his followers actually feel power themselves, not merely acknowledge his power." And you will remember Mr. Beyer's description of leadership as the power to release leadership in others. You will also recall this same point in view in Mr. Wolf's conception of eliciting the creative power in the group.

Thus we come quite emphatically to an anti-military, anti-autocratic conception of leadership. I think if nothing else had been accomplished, this would have been enough. For if the conception is true, it points the need for a considerable revision not only of our accustomed ideas, but of most of our educational processes both in the schools and in industry. It points the need for building up new *expectations* in the minds of prospective leaders, new *patterns* for their business and industrial lives, new generating ideas for all their behavior.

**A New Term for a New Meaning.** As a matter of fact, this change in the way of our accustomed thinking is so profoundly

significant that I am tempted to suggest something rather drastic. I would suggest that we stop using the word "leader" altogether. As one of the lecturers indicated, the colleges have in the main done this. The use of the phrase "training for leadership" has been found misleading, even pernicious in its effects upon the lives both of teachers and students. It has seemed to savor altogether too much of the rather crude "success" philosophy that has for so many years tainted the life of modern America.

May I suggest the use of another term? In a number of the chapters it has been indicated that the business leader is essentially a "coordinator." It has also been suggested that he is a creative coordinator. This term, I think, almost answers the purpose, but not quite. Obviously it is far less misleading than the autocratic term "leader." But it still misses expressing one important factor in the situation. Your creative coordinator may be of the following type, for example: he has a plan. He knows that if that plan is to be carried out, he must coordinate various agencies in his plant. Therefore he sets about directing this man to do that thing, that man to do this other, and someone else to do another. In short, he coordinates the forces within his plant, and as a result he creates what he is aiming at. But he is still the autocratic leader. He is not the person who is doing what we are asking the leader to do, namely, to release leadership in others.

How can we improve the term "creative coordinator"? Only, I think, by realizing that the process of leadership in which we are interested is more than merely "creative." You will remember Dr. Sheffield's account of how a creative group-process can be carried on. But if you examine that process closely you will see that it is more than creative, it is what I should like to call "intercreative." The creation does not come from one center; it comes from many. This person suggests an idea which awakens a response in another. That other person, responding, modifies the idea in the first speaker. And so the process goes on, a process of mutual creation. Out of that process of mutual creation, or intercreating, there gradually

emerges a result which is the product not of one single person, but of many members of the group.

• Would it not be illuminating, then, if we said that the greatest function of the business man was to be an "intercreative coordinator"? The term instantly tells its story. It tells the story of a person who understands the forces and the agencies with which he has to deal, and who understands, likewise, that those forces and agencies must be coordinated if they are to be shaped into some measure of power. But it also tells a further story. It tells the story of a person who understands that those forces and agencies are not simply to be pushed about at his will. Rather, they are to be solicited to express such coordinating power as lies within themselves.

Suppose now, that from the earliest days of our life, this idea, expressed in one way or another, of "intercreative coordination," were held before young people as the highest ideal to which man can attain. Suppose that it were made particularly vivid during those years in school or in college, when the young man or the young woman was just going forth into his or her vocational career. Would it not serve to change most of the bad techniques of leadership that are now so unfortunately in vogue? Would it not produce a new and far more fruitful type of business manager? Would it not begin to develop in business that spirit of essential democracy which we vaguely aim at, but so slightly achieve?

**The Clue to a Life Philosophy.** As a matter of fact, I believe that we have in this term "intercreative coordinator" the clue to a conception of life that applies in all human situations. • Let me turn for a moment to the family. What makes a good father? Obviously, the autocratic father is psychologically out of date. Obviously, the scolding, nagging father is likewise out of date. So likewise is the father who expects his sons to be exactly like himself. • When is a father really and truly a father? Our answer is, when he is really and truly an intercreative coordinator.

Does that sound a little heavy and unhumorous? But, again, it tells the whole story. Such a father will know that in his

family there are a number of forces and personalities that need to be coordinated if happy family life is to be lived. But he will perform the coordinating not as a chess player in relation to pawns, but as one who seeks constantly to elicit the coordinating powers in his children. He will intercreate with them. If not, he will be a poor type of parent.

And what is a good wife or husband? The answer is precisely the same. The husband who dominates has no excuse for being. The wife who wants her way is a pest in the family. A husband or wife in the real sense of the term is one who can intercreate with his or her partner.

The same thing is true of a teacher. There still exists the type of teacher who comes into the classroom precisely on the hour, places himself behind his desk, pulls out his lecture notes, and reads the lecture to his class. And then precisely as the bell rings he closes his reading and departs. That teacher, we now know, is a poor sort. He is only a pourer out of erudition. There may be uses for that kind of process, but it is not teaching.

Perhaps I may be permitted a further philosophic reflection. The concept of "intercreative coordination" is, I believe, the clue-idea to the entire universe. A bit of protoplasm is a coordinator. It selects out of the enormous possibilities of its environment just those factors which will carry on its life. But in so selecting, it must submit itself to what these forces have to offer. Therefore it does not dominate these forces, it works with and through them. So likewise a tree, an animal, a human being is a coordinator. Each of these selects out of the infinite possibilities of its environment what makes for its life. But likewise, each submits to the powers which it selects. It has power not over them, but with and through them.

The same is true of a crystal. Put it into its appropriate mother liquor, and it will select out those powers that increase its structure. The same is true of the chemical elements. Each is a selective agency, coordinating powers in its environment. The hydrogen will combine with the oxygen in certain proportions. The hydrogen and the oxygen will combine with sulphur

in certain proportions. Each, in short, is a selective coordinator, working with and through the powers it coordinates.

Every bit of reality we know, in fact, is nothing more nor less than an intercreative coordinator. We seem, therefore, to have found something universal in all nature. And we should probably be justified in inferring that this principle which we find present in each is likewise present in the totality.

And here we come to another significant idea. Many persons do not wish to use the word God nowadays, because it connotes for them the very same thing that made many of our lecturers shy at the word "leader." God, in the traditional acceptance of the term, was a being who worked by fiat. He operated as a power from above. He was the cosmic autocrat. Men bowed before him and trembled.

It is precisely because such an autocratic God, even in the guise of a loving father, can no longer be cordially believed in, that most modern religion which preserves the traditional terminology becomes listless and of no effect. As a matter of fact, mankind is already beginning to vision a different kind of God. A God who created once and for all and then rested in his eternity, is no God that can be of any use to a generation fired with an idea of continuous creation. A God who gave orders and punished for disobedience, is no God that can be venerated in an age that increasingly condemns the order-giver and the punisher.

If men are to find a new conception of God, they must find it in terms of what to them is most vitally real. I think we shall not go far wrong if we hold that that most vital conception is the conception of intercreative coordination.

If, then, there is a Creator, that cosmic life is an intercreator. This means that the process of creation is never finished, because those through whom the Creator creates are themselves participating in the process.

The conception of the cosmic life as the creative intercreator, as against the traditional conception of God, will bring a great clarification to human life. It will give to human life its fundamental objective. Traditionally, the religions have

said that man must be like God. But if man is to be like the old God, an autocrat, a paternalist, a layer-down-of-law, and a punisher for disobedience, that becomes a sorry rule for human kind. But if man is to be like this new cosmic life, then he has ahead of him the glorious objective of being in every situation an intercreative coordinator in that situation. To be like God then, is to do precisely the kind of things that we have been discussing.

And so we bring our discussion of the art of life management to its philosophic goal. The objective of life management is the same everywhere and always. Whether it be in business or in the family or in the schoolroom or in the scientist's laboratory, the objective of life is to learn to understand the forces and the agencies around one, and to enlist those forces and agencies in such way that one can work with and through them. The chief objective of man, in short, in every situation, is to be an intercreative coordinator.

I am aware that this term still sounds curiously strange. To those of us who have long since become accustomed to simpler terms, like "love," "leadership," and "duty," it will seem rather barbarously cumbersome. But this term, I believe, tells the new story of mankind. In its brief compass, it contains what I believe to be the essential philosophy of our life. If I go forth into every situation knowing that I must play this coordinating and intercreating part, I shall have the indispensable clue to the wisdom of life. It is a clue for the business man as truly as for the priest. It makes the activity of business as sacred as any activity of religion. - It heals the sorry dualism of secular and religious. It gives all men their essential place and function in life. It enables all of us, actively and understandingly, to be like that which we dimly sense as the Creative Spirit of the Universe.

### QUESTIONS

1. Has a new conception of leadership emerged?
2. Are our accustomed terms adequate for this new conception?
3. Does not the new conception of leadership give us the clue to a comprehensive philosophy of life?
4. How can we incorporate this new philosophy in the life of the coming generation?















